



**Eligibility Guidance  
for  
School Meals Manual**

This manual contains information on Federal policy regarding the determination and verification of students' eligibility for free and reduced price meals in the National School Lunch Program and the School Breakfast Program. These policies also apply to the determination of eligibility for free milk under the Special Milk Program. Policies in States may vary. Check with the State agency if there are any questions regarding individual State policy.

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## **Introduction**

This manual contains information on determining students' eligibility for free and reduced price meals under 7 CFR Parts 210 and 220, the National School Lunch Program (NSLP) (including afterschool snacks and commodity schools) and the School Breakfast Program (SBP). It is also applicable to the Special Milk Program (SMP), 7 CFR Part 215, for schools that serve free milk to eligible students.

State agencies (SAs), and school food authorities (SFAs) that claim reimbursement for free, reduced price, and paid meals under U.S. Department of Agriculture (USDA) programs **must** ensure that they have adequate documentation on file to support the claim. SFAs that participate in the SMP and that have elected to serve free milk to eligible children are required to have the same documentation as that required for free meals except where noted.

It is the intent of Congress that nutritious meals or milk be available to all schoolchildren regardless of the household's ability to pay. USDA has regulations (7 CFR Part 245) that carry out this intention. SAs and SFAs enter into agreements to operate meal and milk programs and to comply with these USDA regulations.

## **Part 1**

### **General Requirements**

SAs and SFAs **must** provide free and reduced price benefits in accordance with the provisions explained in this manual. Authority for these requirements is found in the Code of Federal Regulations, 7 CFR Part 245, and other applicable USDA regulations.

SAs **must** issue to SFAs free and reduced price policy guidance and any other instructions necessary to ensure that SFAs are aware of Federal and State requirements pertaining to free and reduced price meals and free milk.

All schools participating in the NSLP or SBP **must** make free and reduced price meals available to eligible students, and all schools participating in the free milk option of the SMP **must** make free milk available to eligible students.

## Part 2

### Free and Reduced Price Policy Statement

#### Policy Statement

Each SFA participating in the NSLP, SBP or the SMP, with the free milk option, **must** have an approved free and reduced price policy statement on file at the SA or the Food and Nutrition Service Regional Office (FNSRO), if the program is administered by the FNSRO. If an SFA is just starting its participation in the NSLP, SBP or SMP, it **must** file its policy statement for approval by the SA. This policy statement then becomes a permanent document, subject to any amendments whenever the SFA makes a significant change in its free and reduced price policy.

The free and reduced price policy **must** contain, at a minimum, the following:

- the names of official(s), or the position of the school official, designated to make eligibility determinations;
- an assurance that the SFA will determine eligibility in accordance with the current income eligibility guidelines;
- the SFAs specific procedures to accept applications for benefits and its direct certification procedures;
- a description of the method(s) used to collect payments from children paying the full price of the meal or milk or the reduced price of the meal which prevents the overt identification of the children receiving free or reduced price meals or free milk;
- an assurance that the school will abide by the hearing procedures and the nondiscrimination practices; and
- a copy of the application form and letter or notice to households.



The free and reduced price policy statement **should** also contain a copy of the following:

- the media release;
- the notice to households of approval or denial of benefit;
- the notice to households of selection for verification;
- the notice to households of adverse action; and
- in SFAs that have opted to implement direct certification, the notice of eligibility under direct certification.

### **Amendments to Policy Statement**

Unless there is a substantive change made to the free and reduced price policy of the SFA, the policy statement need not be changed and resubmitted for SA approval. Routine changes, such as inclusion of the new income eligibility guidelines (IEGs), are not sufficient to require resubmission. The SFA **must** amend its policy statement for any substantive changes to its free and reduced price policy and include a description of the change. In all cases, the SFA **must** have an approved policy statement on file at the SA that accurately describes its current free and reduced price policies. Amendments **must** be submitted for approval by the SA by October 15. The amendments **must** be approved by the SA prior to implementation.

The amendments **must** reflect:

- changes made necessary by law/regulations;
- changes made by the SFA, e.g., changes in collection procedures, designation of new approving/hearing official(s), changes in procedures for accepting applications, and revisions in the letter to households or application for free and reduced price meals/free milk;
- additional information specified by the SA.

## **Questions and Answers**

1. Q. What are the requirements for SFAs operating the SMP?
  - A. A free policy statement **must** be approved by the SA or FNSRO for SFAs participating in the SMP with the free milk option. SFAs may submit one policy statement for both meals and milk when some of the schools in the district participate in the SMP and others participate in meal programs. Specific instructions on the development of the policy statement and policy approval process are provided to SFAs by the SA.

## **Part 3**

### **Public Announcement About Benefits**

#### **Public (Media) Release**

Near the beginning of each school year, the public **must** be notified that the NSLP, SBP and/or SMP are available in the school or school district. This notice **must** include the eligibility criteria for free and reduced price meals and/or free milk. It **must** be provided to the local news media, the employment office, and any major employers who are contemplating large layoffs in the attendance area of the school.

In school districts that implement direct certification, the public release may also include information that households currently certified to receive Food Stamps, Food Distribution Program on Indian Reservations (FDPIR), if applicable, or Temporary Assistance to Needy Families (TANF) for their children will be notified of their eligibility and that their children will be provided free benefits unless the household notifies the school that it chooses to decline benefits. It **must** also say that Food Stamp and TANF households should only submit an application if they are not notified of their eligibility by a specified date determined by the school.

The public release **must** contain the same information supplied in the letter or notice to households, except that the public release **must** contain both the free and reduced price IEGs. However, a public release that only refers to the SMP should not contain reduced price IEGs.

The SA may make the public release on behalf of its SFAs. In this case the free and reduced price policy statement **must** specify exactly what responsibilities the SA will assume, such as sending the public release to the local media, employment office, etc., and the names of the schools affected by the policy.

Copies of the public release **must** be made available upon request to any interested person.

#### **Letter or Notice to Households**

Also each year at the beginning of school, letters or notices **must** be distributed to the households of children attending the school. This letter or notice should tell the households that school nutrition programs are available and that meals may be available free or at a reduced price, or that milk may be available free. An application form **must** be included with the letter or notice.

The letter or notice should be sent to households of all schoolchildren as early as possible in the school year so that eligibility determinations may be made and free and reduced price benefits provided as soon as possible.

Households enrolling new students in a SFA after the start of the school year also should be provided a letter or notice and an application form when they enroll.

The letter or notice **must** contain the following information:

- Income Eligibility Guidelines, as follows:

- In schools participating in the NSLP or SBP only the **reduced price guidelines** are to be included, with an explanation that households with incomes at or below the reduced price limits are eligible for either free or reduced price meals.
- In schools participating in the SMP with the free milk option, the **free guidelines must** be included.
- In schools participating in the NSLP or SBP and also participating in the SMP with the free milk option for their split-session kindergarten students, children in the split-session kindergarten **must** receive the free milk guidelines, and the households of the other students **must** receive the reduced price limits (with the explanation that households with incomes at or below the guidelines are eligible for either free or reduced price meals). When a multi-child application is used in such schools, **both sets of guidelines must** be included.

- Instructions on how a household may apply for free or reduced price meals or for free milk for its children.
- An explanation that an application for free or reduced price benefits cannot be approved unless it contains complete eligibility information as specified in *Part 4, Processing of Applications, Complete Application*.
- An explanation that households with children who are members of currently certified Food Stamp, FDPIR or TANF households may submit applications for these children with the abbreviated information described in *Part 4, Processing of Applications, Complete Application*.
- An explanation that the information submitted on the application may be verified at any time during the school year.
- An explanation that:
  - households receiving free or reduced price benefits based on income and household size information **must** notify school officials during the school year of any decreases in household size and any increases in income over \$50 per

month or \$600 per year, (**NOTE:** the SA may establish a lesser amount), and

- households that provide a Food Stamp, TANF or FDPIR case number or other FDPIR identifier, in lieu of income information, **must** notify the SFA of any termination of certification for receipt of benefits for their children under the Food Stamp Program, FDPIR or TANF Program and may complete another application listing income information.
- A statement that a household may apply for benefits at any time during the school year if their circumstances change.
- A statement that children of parents or guardians who become unemployed may be eligible for free or reduced price meals or for free milk during the period of unemployment.
- A statement that foster children may be eligible for free or reduced price meals or free milk regardless of the income of the households with whom they reside. The SFA may wish to include instructions on how to complete the application for a foster child.
- The following two statements **must** be included:

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- An explanation that a household may appeal the decision of the SFA with respect to the application using the hearing procedure described in the SFA's free and reduced price policy statement.

The SFA should inform households that the information they provide will be used only for determining eligibility for meal or milk benefits and verification of eligibility. SFAs that plan to disclose children's eligibility status for purposes other than for determining and verifying free or reduced price eligibility should inform households of this potential disclosure. Additionally, in some cases, the SFA **must** obtain parental consent prior to the disclosure. SFAs that anticipate disclosure specifically to Medicaid or the State Children's Health Insurance Program (SCHIP) **must** notify households of this potential disclosure and give households the opportunity to decline the disclosure. (*See Part 8, Confidentiality/Disclosure of Eligibility Information.*)

A prototype letter to households is found in Appendix A.

### **Application Form Requirements**

An application form **must** accompany the letter or notice to households. Unless the SA or SFA is obtaining information directly from the Food Stamp, FDPIR or TANF office that students are categorically eligible for benefits (*See Part 7, Direct Certification*), households **must** apply for benefits for their children. The application forms provided to households **must** meet the following requirements:

- The application **must** be clear and simple in design.
- The application **must** include clear instructions for submission of a completed application.
- The application **must** request that the household provide the following:

#### **For Food Stamp, FDPIR and/or TANF Households:**

- the name of the child for whom the application is made;
- a Food Stamp, FDPIR or TANF case number or other FDPIR identifier for the child for whom the application is made; and
- the signature of an adult household member.

#### **For Other Households (Income Households):**

- the names of all household members;
- the amount of income received in the prior month by each member and the source of the income;
- the signature of an adult household member; and
- the social security number of the adult household member who signs the application or an indication that the household member does not have one.

- The application form **must** contain:

- A Privacy Act statement - That statement **must** address the following:
  - 1) the disclosure of a social security number is voluntary; however, a social security number, or an indication of “none”, is required for approval of the application;
  - 2) the social security number is required under provisions of the Richard B. Russell National School Lunch Act (NSLA); and

3) all potential uses that may be made of the social security number.

- The foster child statement – “In certain cases foster children are eligible for free or reduced price meals or free milk regardless of the household’s income. If you have foster children living with you and wish to apply for such meals or milk for them, please contact us.” In lieu of this statement, the SFA may include on the form the instructions on how to apply for a foster child.
- A statement directly above the signature block to certify (1) that the person signing is furnishing true information and to advise that person that the application is being made in connection with the receipt of Federal funds, (2) that school officials may verify the information on the application, and (3) that deliberate misrepresentation of the information may subject the applicant to prosecution under State and Federal statutes.

A prototype application and instructions are in Appendices B and C.

When SAs and SFAs develop their own application to accommodate more than one child in the household (a multi-child application), the application **must** provide space for identifying each child separately as a member of a Food Stamp, FDPIR or TANF household. This is necessary because of the possibility of “mixed” households in which some children may be part of a Food Stamp, FDPIR or TANF household and some may not. Those children who are part of the Food Stamp, FDPIR or TANF household **must** be given the opportunity to apply under categorical eligibility criteria. However, to establish eligibility for those children in the household who are not categorically eligible, all household names and household income information, including the amount of any TANF assistance that is received, **must** also be provided on the application.

Schools using the multi-child application should require the household to submit a separate application for each foster child.

### **Foreign Language Translations**

Where a significant number or proportion of the population eligible to be served in the SFA needs information in a language other than English, SFAs **must** make reasonable efforts, considering the size and concentration of such population, to send appropriate non-English language household letters or notices and application forms to such households. The Food and Nutrition Service (FNS) web site ([www.fns.usda.gov/cnd](http://www.fns.usda.gov/cnd)) contains samples of translated application material in several of the more commonly requested languages.

Schools are encouraged to provide households with assistance in completing applications through the use of personnel proficient in foreign languages.

## **Questions and Answers**

1. Q. How do I handle the distribution of applications for year-round schools?
  - A. Applications should be distributed on or about July 1, or soon thereafter, so that households are provided with current eligibility criteria and so that eligibility determinations are based on the current IEGs.
2. Q. May I provide applications at the end of the school year for parents to return at the beginning of the next school year?
  - A. No. The law states that the applications **must** be distributed at or about the beginning of the school year.
3. Q. May I distribute applications in the lunch line?
  - A. This is not recommended. If the application is distributed in the lunch line, all students may not have access to the application.
4. Q. May I distribute the applications to the children, or do I have to mail them to the parents? May I announce that applications are available in the principal's office for any child or parent who wants one?
  - A. The school may distribute the applications and a letter or notice to the children. They do not have to be sent in the mail. For example, the school could include the application in a packet of school-related information addressed to the parent but carried home to the parent by the student at the beginning of the school year. Applications **must** be distributed in some manner. A public announcement that applications are available and that interested parties may pick one up is not sufficient.
5. Q. Must I send applications to children who were approved last year?
  - A. SFAs are required to distribute applications at the beginning of each school year to parents of all children in attendance at school. This requirement is designed to ensure that current income and household size are correctly represented each year.
6. Q. In a computerized operation, may I submit a pre-printed copy of last year's application for the household to confirm the accuracy of the application and sign it? If not, what items may I preprint?
  - A. It is the household's responsibility to complete the application. A school may send households an application with the child's name, and the household's name and address preprinted on it. No other information required for an eligibility determination may be preprinted.



7. Q. Do I have to provide foreign language translations of the application and household letter or notice if I have translators available to assist the households in completing the application?

A. SFAs **must** send appropriate non-English language parent letters and application forms to households if a significant number of enrolled children come from households belonging to the same foreign language group and having limited English communication skills. If the number of non-English language households is not significant, the SFAs need not provide foreign language translations. Such SFAs are, however, encouraged to provide assistance in filling out applications through the use of personnel proficient in the necessary foreign languages.

8. Q. Do the application requirements apply in nonpricing situations?

A. Check with your SA to see how the requirements regarding nonpricing situations apply.

## Part 4

### Processing of Applications

#### **Free and Reduced Price Reimbursement**

The SFA or school **must** have an approved application or a list of directly certified students (*See Part 7, Direct Certification*) on file for each student served a meal or milk meeting program requirements that is claimed for Federal reimbursement at the free or reduced price rate.

#### **Benefits Prior to Processing**

Before applications are processed for the school year, the SFA may only claim and be reimbursed for free and reduced price meals or free milk served to:

- children from households with approved applications on file from the previous year;
- new children in an SFA from households with children who were approved for benefits the previous year, **except that a child's categorical eligibility may not be extended to a sibling**; and/or
- previously approved children who transfer from one school to another under the jurisdiction of the same SFA. If the applications are not centrally maintained, both the sending and the receiving school **must** maintain a copy of the student's application.

Prior to processing applications for the school year, SFAs cannot claim or be reimbursed for free and reduced price meals or free milk served to new children who are not part of households approved the previous year or to children who transfer between schools under the jurisdiction of different SFAs unless the receiving school obtains a copy of the prior year's application. Therefore, local school officials are encouraged to expedite eligibility determinations for all such new enrollees.

Applications from a prior year are only valid for the first 30 operating days of the school year (beginning with the first day of school), or earlier if specified by the SA.

#### **Application Processing Timeframe**

Applications should be reviewed and an eligibility determination made within 10 working days of the receipt of the application. Whenever possible, applications should be processed immediately, particularly for new students who do not have approved applications on file from the previous year.

### **Eligibility Criteria**

For a child to be eligible for free or reduced price benefits, the child **must** have been directly certified or the household **must** have submitted a complete application and be either categorically eligible or income eligible.

**Complete Application** - An application that contains all required information for making an eligibility determination.

**Categorical Eligibility** - If Food Stamps, FDPIR or TANF is received for a child, that child is automatically eligible for free meals or milk when the household submits a complete application.

**Income Eligibility** - A child from a household that submits a complete application, and the sum of the reported income for the household is at or below the IEGs, is eligible for either free or reduced price benefits, as applicable.

The determining official **must** review each incoming application to ensure that the household has submitted a complete application. If the application is complete, the official **must** then determine whether the household is categorically eligible or income eligible for benefits.

Applications for households that are not categorically eligible or income eligible cannot be approved for benefits.

U.S. citizenship is **not** a condition of eligibility for free and reduced price benefits. SFAs **must** apply the same eligibility criteria for citizens and non-citizens.

### **Complete Application**

A complete application **must** include all the following required information before the determining official can make an eligibility determination:

#### **Required information to determine categorical eligibility (for Food Stamp/FDPIR/TANF households):**

- the name of the child;
- the appropriate Food Stamp, FDPIR or TANF case number, or other FDPIR identifier;  
and
- the signature of an adult household member.

**Required information to determine income eligibility (for non-Food Stamp/non-FDPIR/non-TANF households):**

- the name of **all** household members including the child for whom application is made;
- the social security number of the adult who signs the application or an indication that the household member does not have a social security number;
- the current amount of income received by each household member identified by the individual who receives it, and the source of the income, such as wages, welfare, alimony; and
- the signature of an adult household member.

**Required information to determine income eligibility for foster children:**

- the name of the child;
- the child's personal income; and
- the signature of an adult household member.

**Households with some children in the Food Stamp, FDPIR or TANF household and others who are not:**

- If a child is not a member of a Food Stamp, FDPIR or TANF household but resides in a larger household with other children who are Food Stamp, FDPIR or TANF recipients, the application for that child **must** include all information to establish income eligibility for that child. (*See Part 4, Processing of Applications, Complete Application.*)

The SFA **must not** delay approval of the application if the household fails to provide any information that is not required.

EXAMPLE: If the household does not provide their address, approval **must not** be delayed.

**Computation of Current Income**

Each household **must** provide the amount of income received during the month before applying. Income **must** be identified with the individual who received it, and the source of the income (such as wages, welfare, etc.). **It is the responsibility of the determining official to compute the household's total current income and compare the total amount to the IEGs.**

If only one income is given, compare that income to the relevant IEG for that timeframe.

EXAMPLE: For a household of five that receives one paycheck each month, compare their income to the monthly IEG for a five-person household.

If all incomes are received for the same timeframe, add all the incomes together and compare the total income to the IEG for that timeframe.

EXAMPLE: If both parents in a family of three receive paychecks each week, add the two incomes together and compare the total to the weekly IEG for a household of three.

However, households may report incomes for different time periods (e.g., one monthly, one biweekly, one weekly). In this case, the determining official should convert all reported incomes to the same time period (such as all to a monthly amount), and total the incomes to determine total household income. The official **must** then compare this figure and the household size to the IEGs and determine the eligibility of the household.

Use this computation if you need to convert incomes:

**To compute monthly income:**

- if income is received **every week**, multiply the total gross income by 4.33 to determine the monthly income.
- if income is received **every two weeks**, multiply the total gross income by 2.15 to determine the monthly income.
- if income is received **twice a month**, multiply the total gross income by 2 to determine the monthly income.

**Application Approval or Denial**

**Categorically eligible (Food Stamp/FDPIR/TANF) households:**

Households that submit a complete application including a valid Food Stamp, FDPIR or TANF case number or other FDPIR identifier for the child for whom application is made **must** be approved for free benefits.

School officials should familiarize themselves with valid Food Stamp/FDPIR/TANF case numbers or other FDPIR identifiers used in their areas before beginning application approval. If there is any doubt concerning the validity of the case number or other FDPIR identifier submitted on an application, the school official should contact local Food Stamp, FDPIR or TANF officials. Applications with invalid case numbers or FDPIR identifiers may not be approved.

**Income eligible (non-Food Stamp, non-FDPIR or non-TANF):** Households that submit a complete application indicating total household income at or below the income limits for free or reduced price benefits **must** be approved for free or reduced price benefits, as appropriate.

Households that submit an incomplete application cannot be approved. If any **required** information is missing, the information **must** be obtained before an eligibility determination can be made.

To get the required information, the school may return the application to the household or contact the household either by phone or in writing. The determining official should document the details of the contact, and date and initial the entry. Applications missing the signature of an adult household member **must** be returned for signature.

Every reasonable effort should be made to obtain the missing information prior to denying the application.

**Households that are not categorically eligible or income eligible cannot be approved for benefits.**

If there are any inconsistencies or questions concerning the required eligibility information provided, the household's application **must** be denied unless the inconsistencies or questions are resolved. For instance, if it is unclear whether the household provided weekly or monthly income, this issue **must** be resolved before an eligibility determination can be made. The official may contact the household prior to denial, document the details of the contact, and date and initial the entry.

### **Temporary Approval**

When a household reports zero income or a temporary reduction in income, eligibility **must** be determined based on the present rate of income rather than on regular annual income. **However, the approving official should issue temporary approval of the application.**

The timeframe for a temporary approval may vary depending on the household's circumstances.

EXAMPLE: If the primary wage earner expects to return to work in 2 weeks, the temporary approval may be for a shorter time than if the primary wage earner has lost his or her job and has no prospects for a new one.

In general, a suggested time limit for temporary approval is 45 calendar days unless otherwise stipulated by the SA. **At the end of each approval period, the school should contact the household to determine if the household's circumstances have changed.** If there has been no change, the school should document the contact and extend the temporary approval. When temporary approval is extended, follow-up should be

included. If the household's circumstances have changed, the school should send a new application to the household so that they may reapply for benefits.

EXCEPTION: Zero income on an application for a foster child or institutionalized child is acceptable and may be approved for the school year.

Eligible children should receive temporary approval in the following types of economic situations:

- temporary layoffs
- strikes (voluntary work stoppages)
- temporary receipt of public assistance (in cases where the application specifies receipt of public assistance for a limited time)
- zero income, for whatever reason (except foster children and institutionalized children)
- temporary disability

### **Households That Fail to Apply**

Local officials may complete an application for a student **known to be eligible** if the household fails to apply. When exercising this option, the school official **must** complete an application on behalf of the student based on the best household size and income information. **The source of the information MUST be noted on the application.** Names of household members, social security number, and signature of an adult household member need not be secured. These applications should be excluded from verification. However, the household **must** be notified that the student has been certified and is receiving free or reduced price benefits.

This option is intended for limited use in **individual** situations and **must not** be used to make eligibility determinations for categories or groups of students.

### **Notification of Eligibility Determination**

All households **must** be notified of their eligibility status.

Households **denied** benefits **must** be given written notification of the denial. The notification **must** advise the household of:

- the reason for the denial of benefits;
- the right to appeal;
- instructions on how to appeal; and
- a statement that households may re-apply for free and reduced price benefits at any time during the school year.

### **Changes in Household Circumstances**

If approval for benefits is based on income and household size, the household **must** report increases in income of over \$50 per month or \$600 per year and any decreases in household size. When a household reports such changes, the SFA **must** review the information, make any appropriate change in eligibility, and notify the household.

If approval is based on certification for Food Stamp, FDPIR or TANF benefits, the household **must** report when it is no longer certified to receive benefits for the child. A household that reports such a change and wishes to continue benefits for the child **must** complete a new application and provide information to allow a determination of eligibility based on income. The determining official **must** review the information, make an eligibility determination, and notify the household of that determination.

### **Appeals**

A household may appeal either the denial of benefits or the level of benefits for which they have been approved. When a household requests an appeal, the hearing procedures outlined in the SFA's free and reduced price policy statement **must** be followed.

### **Recordkeeping**

All free and reduced price applications, including applications from households denied benefits and inactive applications, **must** be kept on file for a minimum of 3 years after the final claim is submitted for the fiscal year to which they pertain, and they **must** be readily retrievable by school. Files **must** be kept longer if they are required by an audit. If audit findings have not been resolved, the applications **must** be maintained as long as required for resolution of the issues raised by the audit.



**For applications from households approved for benefits**, the determining official should indicate the date each application is approved, and the level of benefit for which each child is approved, and sign or initial the application.

**For applications from households denied benefits**, the determining official **must** identify and retain on file the reasons for the denial. Records should also include the date of the denial, the date the denial notice is sent, and the name of the determining official. These may be noted directly on the application.

**For changes in application status**, determining officials should note the change and the date of the change on the application and on any rosters used. When a child transfers to another school within the SFA, a copy of the application **must** be retained at both the sending and receiving schools and the date of the transfer noted, unless applications are filed centrally. Current applications **must** be on file and there **must** be records to support transfers of students in and out of the school.

Applications may be maintained either at the school or at a central location with a list of eligible students maintained at the school. If an SFA elects to maintain applications at a central location, applications **must** be readily retrievable by school, and the SFA **must** ensure that changes in eligibility status and transfers in and out of the school are accurately reflected on each school's list in a timely fashion as required by regulations.

### **Questions and Answers**

#### **Processing Applications**

1. Q. How much judgment or discretion may the SFA exercise in determining whether a household does or does not meet the eligibility criteria for benefits?
  - A. Frequently questions arise concerning what is to be included as income and what constitutes a household. This manual is intended to provide guidelines for those individuals making eligibility determinations. The guidance cannot, however, address each individual situation. Determining officials will occasionally have to apply the broad concepts set forth in this guidance to some individual situations. If unusual situations unlike any examples in the guidance arise, the determining official should contact the SFA or SA, as appropriate.
2. Q. How quickly should I process applications?
  - A. Applications for new students and others who cannot be provided meal benefits based on the prior year's eligibility should be processed as quickly as possible. For children with an application on file from the prior year, an eligibility determination should be made within 10 working days of the return of the new application, unless otherwise stipulated by the SA.

3. Q. If a household leaves the SFA late in the school year, in March for example, and returns at the beginning of the next school year, may the children be fed based on last year's application prior to application approval?
- A. Yes, if the children were eligible for benefits when the household left the SFA.
4. Q. If any item of required information is missing from the free and reduced price application, may the determining official make an eligibility determination on the basis of a sibling application or must he/she consider the application incomplete and take follow-up action?
- A. A determining official may look to a complete sibling application for any item of required information except Food Stamp, FDPIR or TANF information. Since Food Stamp, FDPIR and TANF categorical eligibility is on an individual basis, the determining official **must** either contact the household for that information or consider the application incomplete. The official may staple the incomplete and complete applications together. In lieu of stapling the two applications together, the official may either photocopy the complete application and staple the photocopy to the incomplete application, or transfer the information from the complete application, initial it, and note the source of the information. The complete application **must** be readily available for review. At least one application **must** be complete.
5. Q. If any item of required information is missing from the free and reduced price application, may the determining official complete the application for the household using information derived from other records available to the school?
- A. No item of required information may be derived from a source other than the household or a complete sibling application.
6. Q. A household voluntarily provided pay stubs that conflict with the income information on the application. According to the income information on the application, the household is eligible for benefits. However, from the pay stubs, it appears that the household is not eligible. What should the determining official do?
- A. The submission of eligibility information that does not support the content of the application **must not** affect the initial eligibility determination. The determining official **must** approve or deny the application on face value and notify the household of the initial eligibility determination.

However, whenever the household submits eligibility information, either voluntarily or as required by the school, that does not confirm the level of benefits for which the household has been approved, the school official **must** take appropriate action. When this occurs at the time of application there are two options:

- The school may combine the notice of approval with the notice of adverse action in a single letter. This provides the household opportunity to resolve the discrepancy during the 10-day advance notice of adverse action.
- When the determining official believes that the household may have additional information substantiating the eligibility determination, the school may combine the notice of approval with the notice of selection for verification to give the household opportunity to submit additional documentation to confirm eligibility.

School officials are in the best position to determine the appropriate action to take. However, the inconsistency **must** be resolved expeditiously.

7. Q. A household voluntarily provided pay stubs with the application but did not write the amount of each person's income on the application. All other items were completed. According to the pay stubs, the household is eligible for benefits. What should the determining official do?
  - A. Rather than denying the application or returning the application to the household, the determining official may contact the household, by phone or in writing, to ensure that the household submitted all documentation of income. The official should document the contact, enter the information on the application, and initial and date the action.
8. Q. What is acceptable as an adult signature?
  - A. Any printed name or cursive signature appearing in the space following the certification statement is an acceptable signature. We cannot expect all legal signatures to be cursive.
9. Q. When using a single child application, if the adult signature is missing, can a sibling's application be photocopied and/or stapled to the application missing the signature to make a complete application?
  - A. Yes, if the remainder of the information is the same and if the child whose application is missing information is listed as a household member on the sibling application.
10. Q. Several applications, none of which is complete, are submitted from the same household for different children. How many sibling applications can be used to generate a complete application?
  - A. There **must** be at least one complete application in which the household member has certified the information to be correct from which information may be obtained to complete one or more sibling applications.

11. Q. May the approval of applications be delegated to a food service management company along with other management responsibilities?
- A. No. The determination of eligibility for free and reduced price meals is an SFA responsibility and may not be assigned to a food service management company. School officials are directly responsible for determining eligibility and maintaining the confidentiality of the information on the application.
12. Q. If a sibling was not listed on last year's application but comes from a family with children who were eligible for free meals last year, can I claim free reimbursement for that child before applications are processed for the school year?
- A. Yes, the SFA may claim the same level of benefits for new children from households with children who were approved for benefits last year, EXCEPT THAT categorical eligibility cannot be applied to a sibling.
13. Q. In a computerized operation, where the computer generates the determination, does the determining official have to sign or initial each application?
- A. No. The determining official may sign or initial and date a sheet of paper that would then be attached to a batch of applications. However, the computer system should be able to capture the original date of approval and to update the status of applications to account for transfers, withdrawals, terminations, and other changes.
14. Q. Can the determining official make an eligibility determination based upon other income sources, which were not declared on the application but about which the official knows?
- A. No. The determining official **must** make the initial determination based upon the face value of the application. However, immediately after the application is approved, the SFA may begin the verification process on that application.
15. Q. What if the determining official suspects that there are other sources of income?
- A. Any application that contains questionable information **must** be verified as soon as possible.

### **Complete Application**

1. Q. Does an emancipated child sign his/her own applications? Is a social security number required?

- A. An emancipated child who lives alone as a household of one or as a member of a household with no adult household members **must** sign his or her own application. No social security number is required for the emancipated child.
2. Q. Who signs the application for a foster child?
- A. The foster parent or guardian or other official representative for the child **must** sign the application for a foster child; however, the foster parents' or guardians' income, household size, and social security number are not needed on the application.
3. Q. Does income have to be indicated on the application for a foster child?
- A. Yes. The child's income **must** be considered for the eligibility determination. A foster child's income includes funds provided by the welfare agency that are specifically identified by category for the personal use of the child, such as for clothing, school fees, and allowances. In addition, other funds received by the child are included as income, for example, income a child earns for full-time or regular part-time employment, and money provided by the child's family for personal use. If funds are not specifically identified for personal use, income should be listed as "0" and the application should be approved for a full year. This also applies to applications for children residing in residential child care institutions. (*See Part 5, Income Eligibility, Special Situations, for a definition of "foster child".*)
4. Q. What if there is no income listed on an application? Do I consider it as zero or should I go back to the household for additional information?
- A. If no income is listed on the application, the determining official should contact the household for additional information. If the determining official is unable to contact the household, the application **must** be denied because it is incomplete.
5. Q. What if the racial/ethnic data collection question is not completed?
- A. Parents' provision of this information is voluntary, and failure to provide the information **must not** affect the child's eligibility for benefits.
6. Q. What applications may be considered for temporary approval?
- A. Applications that may receive temporary approval include those from households affected by temporary layoffs, strikes, temporary receipt of public assistance, and zero income. Zero income, however, may be acceptable for a foster child or institutionalized child. Determining officials should use their own judgment and consider temporary approval for other questionable situations.

7. Q. An application was approved for benefits and the household notified. During a review of the applications later in the school year, the reviewer discovered that the determining official had erred and that the information on the application did not support the household's eligibility for benefits. What should be done?
- A. Whenever (during the course of a school year) there is a reduction or termination of benefits, for whatever the reason, households **must** be provided the 10 calendar day written advance notice of adverse action. When there is an increase in the level of benefits, the household **must** be notified and the increase in benefit level provided promptly.
8. Q. If a school is providing benefits for a child during the first 30 operating days of the school year based upon income information from the previous year's eligibility, and upon receiving the current year application for the household, the school determines that there is a change in the household's eligibility, is it necessary to provide the notice of reduction or termination of benefits at the end of the 30 days, or earlier date as determined by the SFA?
- A. No, it is **not** necessary to provide this notice of reduction or termination of benefits at the end of the 30 days, or earlier date as determined by the SFA.
9. Q. What kind of notice is recommended for children determined to be eligible for free or reduced price meals?
- A. Households **must** be notified of their eligibility for benefits. SFAs should notify households of their child's eligibility for free or reduced price benefits either in writing or by phone. Households denied benefits **must** be notified in writing.

### **Maintenance of Applications**

1. Q. If I have temporarily approved an application, and if after the temporary approval period I know that circumstances have not changed, do I have to contact the household, or may I automatically extend the temporary approval?
- A. After each temporary approval period, each household should be contacted again to offer the household an opportunity to report changes in household size and income information.
2. Q. May changes in the status of an application be maintained in a computer instead of being noted on the application?

A. Yes. Changes in the status of an application may be maintained in a computer instead of being noted on the application. School officials **must** ensure that the changes are readily retrievable by school and are provided to State and Federal reviewers along with the applications during a review of the applications. Also, any changes **must** be promptly noted on eligibility rosters.

## **Part 5**

### **Income Eligibility**

#### **General**

To determine if a household meets income eligibility requirements for benefits, school officials **must** compare the household size and the total household income to IEGs. School officials may be asked by households for guidance on whom to include as a household member or what to include as income on the application for benefits. Although school officials may have to use their own discretion in some instances, the following guidelines are intended to provide assistance in answering questions from households and in making income eligibility determinations.

#### **Determining Household Size**

##### **Household/Economic Unit**

A group of related or unrelated individuals who are not residents of an institution or boarding house but who are living as one economic unit, and who share housing and/or significant income and expenses of its members. Generally, individuals residing in the same house are an economic unit. However, more than one economic unit may reside together in the same house. Separate economic units in the same house are characterized by prorating expenses and economic independence from one another.

#### **Special Situations**

***Adopted Child*** - An adopted child for whom a household has accepted legal responsibility is considered to be a member of that household. If the adoption is a “subsidized” adoption (children who are difficult to place), the subsidy is included in the total household income. (*See Part 5, Income Eligibility, Questions and Answers.*)

***Child Attending an Institution*** - A child who attends but does not reside in an institution is considered a member of the household in which he/she resides.

***Child Away at School*** - A child who is temporarily away at school (e.g., attending boarding school or college) should be counted as a member of the household.

***Child Living with One Parent, Relative, or Friends*** - In cases where no specific welfare agency or court is legally responsible for the child or where the child is living with one parent, other relatives, or friends of the family, the child is considered to be a member of the household with whom he/she resides. Children of divorced or separated parents are generally part of the household that has custody.



***Emancipated Child*** - A child living alone or as a separate economic unit is considered to be a household of one.

***Foreign Exchange Student*** - A foreign exchange student is considered to be a member of the household in which he/she resides, i.e., the household hosting the student.

***Foster Child*** - A foster child is a child who is living with a household but who remains the legal responsibility of the welfare agency or court. Such a child is considered a household of one.

***Institutionalized Child*** - An institutionalized child is a child who resides in a residential-type facility that the State has determined is not a boarding school. Such a child is considered a household of one.

***Joint Custody*** - In cases where joint custody has been awarded and the child physically changes residence, the child is part of the household where he/she resides. Therefore, the child's eligibility could change monthly, weekly, or even daily depending on the rotating time periods at each household. The SFA **must** ensure that the child receives the benefits to which the child is entitled during periods of eligibility.

***Family Members Living Apart*** - Family members living apart on a temporary basis are considered household members. Family members not living with the household for an extended period of time are not considered members of the household for purposes of determining eligibility, but any money made available by them or on their behalf for the household is included as income to the household.

### **Determining Household Income**

#### **Reportable Income**

Income is any money received on a recurring basis, including **gross** earned income, unless specifically excluded by legislation. Specifically, gross earned income means all money earned before such deductions as income taxes, employee's social security taxes, insurance premiums, and bonds. See below for discussion of income.

#### **Income includes the following:**

##### **Earnings from Work**

Wages, salaries, tips, commissions, net income from self-owned business and farms, strike benefits, unemployment compensation, and worker's compensation.

##### **Welfare/Child Support/Alimony**

Public assistance payments/welfare receipts (TANF, General Assistance, General Relief, etc.); alimony or child support payments; BUT NOT FOOD STAMP OR FDPIR BENEFITS.

**Pensions/Retirements/Social Security**

Pensions, retirement income, social security, supplemental security income, and veterans' payments.

**Any Other Income**

Net rental income; annuities; net royalties; disability benefits; interest; dividend income; cash withdrawn from savings; income from estates, trusts, and/or investments; regular contributions from persons not living in the household; and any other money that may be available to pay for the child(ren)'s meals.

**Current Income**

Households **must** report current income on a free and reduced price application.

Current income means income received by the household during the month prior to application. If this income is higher or lower than usual and does not fairly or accurately represent the household's actual circumstances, the household may project its annual rate of income based on the guidelines identified below.

**Special Situations**

***Projected Income for Seasonal Workers and Others*** - Seasonal workers, such as migrants, and others whose income fluctuates usually earn more money in some months than in other months. Consequently, the previous month's income will commonly distort the household's actual circumstances. In these situations, the household may project its annual rate of income and report this amount as its current income. If the prior year's income provides an accurate reflection of the household's current annual rate of income, the prior year may be used as a basis for the projected annual rate of income.

***Income for the Self-Employed*** - Self-employed persons may use last year's income as a basis to project their current year's net income, unless their current net income provides a more accurate measure.

Self-employed persons are credited with net income rather than gross income. Net income for self-employment is determined by subtracting business expenses from gross receipts.

- Gross receipts include the total income from goods sold or services rendered by the business.
- Deductible business expenses include the cost of goods purchased, rent, utilities, depreciation charges, wages and salaries paid, and business taxes (not personal, Federal, State, or local income taxes).

- Non-deductible business expenses include the value of salable merchandise used by the proprietors of retail businesses.

Net income for self-employed farmers is figured by subtracting the farmer's operating expenses from the gross receipts.

- Gross receipts include the value of all products sold; money received from the rental of farm land, buildings, or equipment to others; and incidental receipts from the sale of items such as wood, sand, or gravel.
- Operating expenses include cost of feed, fertilizer, seed, and other farming supplies; cash wages paid to farmhands; depreciation charges; cash rent; interest on farm mortgages; farm building repairs; and farm taxes (but not local, State, and Federal income taxes).

***Income from Wages and Self-Employment*** - For a household with income from wages and self-employment, each amount **must** be listed separately. When there is a business loss, income from wages may not be reduced by the amount of the business loss. If income from self-employment is negative, it should be listed as zero income.

### **Income Exclusions**

Income **not** to be reported or counted as income in the determination of a household's eligibility for free and reduced price benefits includes:

- any cash income or value of benefits a household receives from any Federal program that excludes such income by **legislative prohibition**, such as the value of Food Stamps provided under the Food Stamp Program. (*See Part 5, Income Eligibility, Questions and Answers, Income, for a complete list.*)
- **student financial assistance** provided for the costs of attendance at an educational institution, such as grants and scholarships, awarded to meet educational expenses and not available to pay for meals.
- **loans**, such as bank loans, since these funds are only temporarily available and **must** be repaid.
- the value of **in-kind compensation**, such as housing for clergy any other noncash benefit.
- **occasional earnings** received on an irregular basis, e.g., not recurring, such as payment for occasional baby-sitting or mowing lawns.

## Special Situations

***Military Benefits*** - Military benefits received in cash, such as housing allowances for military households, Family Subsistence Supplemental Allowance (FSSA) and food or clothing allowances, **must** be considered as income. An in-kind benefit where the household receives no cash is not counted.

***Foster Child's Income*** - Only the child's personal income is considered for eligibility purposes.

***Institutionalized Child's Income*** - Payments from any source directly received by the institution on a child's behalf are not considered as income to the child. Only the income a child earns from full-time or regular part-time employment and/or personally receives while in residence at the institution is considered as income.

***Child's Income*** - The earnings of a child who is a full-time or regular part-time employee **must** be listed on the application as income. However, occasional earnings, such as income from occasional baby-sitting or mowing lawns, should not be listed on the application as income.

***Alimony and Child Support*** - Any money received by a household in the form of alimony or child support is considered as income to the receiving household. However, any money paid out for alimony or child support may not be deducted from that household's reported gross income.

***Lump Sum Payments*** - Lump sum payments or large cash settlements are not counted as income since they are not received on a regular basis. These funds may be provided as compensation for a loss that **must** be replaced, such as payment from an insurance company for fire damage to a house. When lump sum payments are put into a savings account and the household regularly draws from that account for living expenses, the amount withdrawn is counted as income.

***Garnisheed Wages and Bankruptcy*** - Income is the gross income received by a household before deductions. In the case of garnisheed wages and income ordered to be used in a specified manner, the total gross income **must** be considered regardless of whatever portions are garnisheed or used to pay creditors.

## Questions and Answers

### Income

1. Q. Why is the housing allowance provided to service personnel counted as income when the value of provided housing is not?

- A. Income is defined as all cash received on a recurring basis. In-kind benefits, by definition, are not cash payments, and, therefore, are not considered as income for the purpose of determining free and reduced price eligibility. School officials are not in a position to determine the value of in-kind benefits, such as housing for clergy, cars for salespersons, employee medical or dental benefits, etc. The income exclusion for in-kind benefits is uniform throughout the school meal programs. To treat in-kind benefits provided to military households differently from in-kind benefits provided to the general population would create an inequity. The fact that the value of military on base housing is more readily identifiable than other sources of in-kind benefits would not lessen the inequity.
2. Q. Is the U.S. Armed Forces FSSA counted as income for the purposes of determining eligibility?
- A. For eligibility determination purposes, the FSSA payments **must** be counted as earned income to the household, because there is no legislative authority that would permit the exclusion of FSSA payments from consideration as income. Please note that some military families receiving FSSA payments may still be income eligible for free or reduced price meal benefits. Other military families receiving FSSA payments also may be certified to receive Food Stamp benefits (despite the FSSA payment); families receiving Food Stamps would be categorically eligible for free meals or free milk in the NSLP, SBP and SMP.
3. Q. What is included as income for foster children?
- A. The foster child's income includes:
- Funds provided by the welfare agency that are specifically identified by category for the personal use of the child, such as for clothing, school fees, and allowances. Welfare funds paid to the foster parents identified by category for shelter and care, and those identified as special needs funds, such as those for medical and therapeutic needs, are not considered as income. Where welfare funds cannot be identified by category, no portion of the provided funds is considered as income; and
- Other funds received by the child, including any income the child earns for full-time or regular part-time employment, and money provided by the child's family for personal use.
4. Q. What payments from Federal programs are excluded from consideration as income by legislative prohibition?
- A. (1) The value of assistance to children and their families under the National School Lunch Act, the Child Nutrition Act of 1966, and the Food Stamp Act of 1977;

- (2) reimbursements from the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;
- (3) any payment to volunteers under Title I (VISTA and others) and Title II (RSVP, foster grandparents, and others) of the Domestic Volunteer Service Act of 1973 to the extent excluded by that Act;
- (4) payments to volunteers under section 8(b)(1)(B) of the Small Business Act (SCORE and ACE);
- (5) income derived from certain sub-marginal land of the U.S. that is held in trust for certain Indian tribes;
- (6) payments received under the Job Training Partnership Act;
- (7) income derived from the disposition of funds to the Grand River Band of Ottawa Indians;
- (8) payments received under the Alaska Native Claims Settlement Act, to the extent that it does not, in the aggregate, exceed \$2,000 per individual per year;
- (9) payments by the Indian Claims Commission to the Confederated Tribes and Bands of the Yakima Indian Nation or the Apache Tribe of the Mescalero Reservation;
- (10) payments to the Passamaquoddy Tribe and the Penobscot Nation or any of their members received pursuant to the Maine Indian Claims Settlement Act of 1980;
- (11) student financial assistance received under Title IV of the Higher Education Act of 1965, including the Pell Grant, Supplemental Education Opportunity Grant, State Student Incentive Grants, National Direct Student Loan, PLUS, College Work Study, and Byrd Honor Scholarship Programs, to the extent excluded by that Act;
- (12) payments under the Agent Orange Compensation Exclusion Act (Public Law 101-201);
- (13) payments received under the Civil Liberties Act of 1988;
- (14) payments under the Child Care and Development Block Grant (P.L. 102-508);
- (15) payments and allowances to individuals participating in AmeriCorps to the extent excluded by the National and Community Service Act of 1990;
- (16) payments under the Low-income Home Energy Assistance Act (P.L. 99-125);
- (17) payments under the Disaster Relief Act of 1974, as amended by the Disaster Relief and Emergency Assistance Amendments of 1989 (P.L. 100-707);
- (18) payments received under the Carl D. Perkins Vocational Education Act, as amended by the Carl D. Perkins Vocational and Applied Technology Act Amendments of 1990 (P.L. 101-392);
- (19) value of any child care payments made under section 402(g)(1)(E) of the Social Security Act;
- (20) value of any “at-risk” block grant child care payments made under section 5081 of P.L. 101-508, which amended section 402(i) of the Social Security Act;
- (21) value of any child care provided or paid for under the Child Care and Development Block Grant Act, as amended (P.L. 102-586, Sec. 8(b));
- (22) mandatory salary reduction amount for military service personnel which is used to fund the Veteran’s Educational Assistance Act of 1984 (GI Bill), as amended (P.L. 99-576);

- (23) payments received under the Old Age Assistance Claims Settlement Act, except for per capita shares in excess of \$2,000;
- (24) payments received under the Cranston-Gonzales National Affordable Housing Act (P.L. 101-625);
- (25) payments received under the Housing and Community Development Act of 1987;
- (26) payments received under the Sac and Fox Indian claims agreement (P.L. 94-189, sec. 6);
- (27) payments received under the Judgement Award Authorization Act;
- (28) payments for the relocation assistance of members of the Navajo and Hopi Tribes (P.L. 93-531);
- (29) payments to the Turtle Mountain Band of Chippewas, Arizona (P.L. 97-403);
- (30) payments to the Blackfeet, Grosventre and Assiniboiné tribes (Montana) and the Papago (Arizona)
- (31) payments to the Assiniboiné Tribe of the Fort Belknap Indian community and the Assiniboiné Tribe of the Fort Peck Indian Reservation (Montana) (P.L. 98-124);
- (32) payments received under the Saginaw Chippewa Indian Tribe of Michigan Distribution of Judgement Funds Act (P.L. 99-346);
- (33) payments to the Chippewas of Mississippi Valley (P.L. 99-377); and
- (34) payments to the Red Lake Band of Chippewas.

Since programs are periodically added to the above list, SFAs should contact the State agency when there is question of whether specific payments are to be included as income.

5. Q. What income is reported for students who reside in a residential child care institution (RCCI)?
  - A. Payments from any source, directly received by the institution on the child's behalf, are not considered as income to the child. However, the money a child personally receives or earns from any full-time or regular part-time source is considered income.
6. Q. Is an application with household size and income information required for students who reside in an RCCI and attend public school during the day?
  - A. Yes. The day school **must** have a complete application on file for each child for whom a free or reduced price meal is served and claimed for reimbursement, regardless of the child's place of residence. Students residing in an RCCI are not categorically eligible and income **must** be shown, even if "0".
7. Q. If the household indicates \$0 for income, is that sufficient?

- A. “Zero income” is sufficient for a temporary approval. School officials should confirm the continued eligibility of a zero income application every 45 calendar days. However, some circumstances may warrant approval of a zero income application for the school year, such as for the foster or institutionalized child.
8. Q. If one household owns a housing unit and rents living space to another household, does the household receiving the rental fee have to report this amount as income?
- A. Yes. Income includes money derived from rent of room(s), apartment(s), etc. If a household receives rental income from another household, it **must** be included as income. The treatment of rental income would be similar to the treatment of self-employment income.
9. Q. Are children for whom households receive adoption assistance payments under Title IV-E of the Social Security Act automatically eligible for free school meals?
- A. No. Although Sections 673 and 674 of the Social Security Act specify that, for purposes of Titles XIX (medical assistance) and XX (child care), children whose parents receive adoption payments shall be deemed to be recipients of the Aid to Families with Dependent Children program (now TANF), the statute did not extend this TANF equivalency to the NSLP, SBP, or SMP. Additionally, since there is no legislative prohibition from considering the adoption assistance payments as income, the amount of assistance **must** be included as household income in the free and reduced price meal eligibility determination.

### **Household Size**

1. Q. When foster parents apply for benefits for their own children, do they include their foster children as household members, and do foster parents include the payments provided by the welfare agency for care of the foster children as income to the household?
- A. No. Since each foster child, including a preschool foster child, is a household of one, foster children are not included in the foster parents’ household. Payments received by the household for care of the foster child are intended to be used for the foster child and, therefore, are not included as part of the foster parents’ income.
2. Q. If a child lives with his/her parents and is required to pay for room and board, is the child a separate household?
- A. The child is considered to be a separate household only in those cases where the child is living alone or as a separate economic unit. Separate economic units are usually characterized by the prorating of most household expenses. Most students paying room and board are usually paying a token amount and are not economically independent of their parents and are therefore not considered to be emancipated.



3. Q. If two separate households rent living space (e.g., an apartment or house), and one household gives its portion of the rent to the other household which, in turn, transmits the full rent to the landlord, does the rental income given to the transmitting household count as rental income?
- A. No. The transmitting household has not received income; rather it is performing a simple financial transaction that does not provide it with additional income.
4. Q. What if a child is eligible for free meals, but the household wants to pay the reduced price?
- A. The school should respect the family's wishes and allow the child to pay the reduced price charge. The application should correctly reflect that the child is eligible for free meals. However, the school should note on the application that the family has elected to pay the reduced price charge. The meals served to such a child **must** be claimed for reduced price reimbursement since the school received the reduced price payment from the household.
5. Q. How do I determine the eligibility of a household that has some children who are included under a TANF household and other children who are not under the TANF household?
- A. Children in a TANF household are categorically eligible for free benefits. The application for such children need only contain the child's name, a current TANF number, and the signature of an adult household member. The application for children in the same household who do not fall under a TANF household **must** include the information required of all other households, i.e., name of all household members; social security number of the adult household member who signs the application or an indication that the household member does not have a social security number; the amount of income each household member receives and where it comes from (including the amount of the TANF or other State public assistance grants); and the signature of an adult household member.

## **Part 6**

### **Categorical Eligibility**

#### **Application Requirements**

##### **Food Stamp/FDPIR/TANF Households**

A child from a household currently certified to receive Food Stamps or benefits under FDPIR or TANF is categorically eligible for free benefits. SFAs **must** provide a household applying for free and reduced price meals for their child the opportunity to indicate on the application that the child is categorically eligible for free benefits. When a household submits a complete application that contains: (1) the name of the child, (2) a current Food Stamp, TANF or FDPIR case number or other FDPIR identifier, and (3) an adult signature, the determining official **must** approve the child for free meals or free milk, as applicable. No further application information is required.

##### **Head Start**

Children enrolled in *Federally*-funded Head Start centers that meet the low-income criteria of Head Start Program regulations are considered categorically eligible for free meals in NSLP.

##### **Even Start**

For a child to be categorically eligible for free meals based on their participation in Even Start, the child **must** be enrolled as a participant in a *Federally*-funded Even Start Family Literacy Program and **must** be at the pre-kindergarten level.

Categorical eligibility does **not** apply to other family members.

Documentation of a child's participation in a *Federally*-funded Head Start or Even Start is required to establish categorical eligibility for free meals in the NSLP or SBP, or for free milk in the SMP. Confirmation that the child has not yet entered kindergarten **must** be included in the documentation from the Even Start official.

Verification of eligibility from the household is not required when documentation of categorical eligibility is obtained from Head Start or Even Start officials.

#### **Expiration of Categorical Eligibility**

When a child is no longer categorically eligible for free meals under the criteria set forth in this guidance, the child's family **must** be provided an opportunity to apply for free and reduced price meals under standard free and reduced price application procedures or to

obtain free meal benefits through direct certification. (*See Part 7, Direct Certification.*) The school or institution is responsible for providing the family with instructions on how to apply for these benefits.

### **Questions and Answers**

1. Q. Does categorical eligibility apply to State-funded Head Start programs?
  - A. Categorical eligibility can be used in State funded pre-kindergarten Head Start programs with eligibility requirements identical to or more stringent than those used by the Federally-funded Head Start centers.
2. Q. What is considered acceptable documentation of a child's Head Start or Even Start participation?
  - A. Documentation of a child's Head Start or Even Start participation could include:
    - an approved Head Start or Even Start application for the child's family; or
    - a statement of enrollment in Head Start or Even Start; or
    - a list of children participating in Head Start or Even Start; and in the case of Even Start, confirmation that the child has not yet entered kindergarten.

## **Part 7**

### **Direct Certification**

#### **Simplified Certification Process**

Direct certification is a simplified method of determining some children's eligibility for free meals under the NSLP, SBP or free milk under the SMP without having the family complete a free and reduced price meal or free milk application. The SFA and/or SA (on behalf of the SFA) obtains documentation from the appropriate State or local Food Stamp or TANF agency that enables the SFA to determine that children are members of households currently certified to receive Food Stamps or TANF. This procedure may also be used to certify children whose households participate in FDPIR.

Direct certification can be accomplished through several methods, for example:

- 1) the household receives a letter from the Food Stamp, TANF or FDPIR office notifying them of their eligibility to receive free meals or milk. The household takes the letter to the school to establish eligibility for free meals or milk, or
- 2) the SFA identifies children eligible for free meals or milk through a match with Food Stamp, TANF or FDPIR information on a disk or hard copy obtained directly from those offices.

#### **Verification Not Required**

Since children's eligibility for free meals or free milk is based on documentation obtained from Food Stamp, FDPIR or TANF officials, verification of eligibility is not required for children who have been certified under direct certification procedures.

#### **Required Documentation**

Documentation to establish children's eligibility for free meals under direct certification, and to substantiate claims for reimbursement, **must** include:

- 1) names of children currently certified to receive Food Stamps/FDPIR/TANF;
- 2) a statement certifying that each child is a member of a Food Stamp, FDPIR or TANF household;

- 3) at least one piece of identifying information that will match each child with a child attending a particular school. Examples of identifiers include:
  - children's birth dates
  - addresses
  - parent's names
  - social security numbers, or
  - other identifiers
- 4) the date, and
- 5) the signature of a Food Stamp, TANF or FDPIR official. In cases of form letters to households or direct computer matches which may not include the official's original signature, sufficient documentation **must** include correspondence or a written agreement between the Food Stamp, TANF or FDPIR office and the SFA setting out or confirming the manner in which school food officials would be provided the children's Food Stamp, TANF or FDPIR status.

The documentation **must** be retrievable by school to ensure proper delivery of benefits and to allow substantiation of the number of children eligible for free meals or milk.

#### **Information That Must Be Provided to the Household**

The SFA **must** notify the household that:

- a child is eligible for free benefits;
- no further application is necessary;
- the household **must** notify school officials when they are no longer certified to receive Food Stamps, or TANF or FDPIR benefits; and
- the household **must** notify school officials if they do not want free benefits for their children.

The above information may be included in the notice the Food Stamp, TANF or FDPIR office provides the household to take to the school.

SFAs **must** ensure that families receive either a direct certification notification or an application for free and reduced price school meals. SFAs that distribute the letter or notice and application through the mail, individual student packets, or other method that prevents the overt identification of children eligible for direct certification are not required to distribute the letter or notice and application at the beginning of the school year to those households eligible under direct certification. Under this option, households eligible under direct certification will receive a letter notifying them that their children

are eligible for free benefits, and other households will receive a parent letter or notice with an application form.

### **Delivery of Benefits**

The SFA **must** provide benefits promptly. Eligible students may receive benefits immediately and the SFA may assume consent if refusal has not been received by a certain number of days, as determined by the SFA.

If the household refuses benefits, the SFA **must** discontinue benefits immediately and document the refusal.

Benefits **must** be discontinued as soon as possible if the household notifies the school that they decline benefits or that the household is no longer eligible to receive Food Stamps, TANF or FDPIR benefits.

### **Household Responsibility**

Households **must** notify the SFA if their status changes, i.e., they are no longer receiving Food Stamp, TANF or FDPIR benefits.

### **Procedures for School Officials**

School officials wishing to certify children using direct certification procedures should first contact the SA to find out if it has established a Statewide system for direct certification. If no Statewide system exists, the SFA then may develop a plan with the local Food Stamp, TANF or FDPIR office.

### **Systems to Obtain Documentation**

SAs, SFAs or schools interested in implementing direct certification should contact the State or local office that administers the Food Stamp, TANF or FDPIR programs to identify children certified to receive Food Stamps, TANF or FDPIR and obtain the documentation necessary for direct certification. Initial contact may be by phone or letter. Food Stamp, TANF and FDPIR officials are authorized to release the information necessary for direct certification.

Some States have the capability to generate lists of children in each district that are in households certified to receive Food Stamps, TANF and FDPIR benefits. Sufficient identifying information **must** be obtained to ensure that benefits are given only to eligible children.

It may be necessary to set up meetings between the agencies involved to share computer capabilities and formats and to identify the types of information that could be made available such as:

- 1) names of eligible children, and
- 2) identifying information, such as
  - a) children's birth dates
  - b) addresses
  - c) parents' names
  - d) social security numbers, or
  - e) other personal identifiers.

The State agency and the SFA **must** decide on a system for matching the names of Food Stamp, TANF and FDPIR eligible children with the names of students in individual school districts. The State or local Food Stamp, TANF or FDPIR offices would need to assist and cooperate with the SFA in implementing the system. The specific system used to obtain a list of eligible students will vary from State to State.

- School officials should obtain, from Food Stamp, TANF or FDPIR officials, documentation that is based on the most current certification information available and as close to the beginning of the children's school year as possible.

### **Questions and Answers**

1. Q. May parents of children who are determined to be eligible under direct certification refuse the benefits?  
  
A. Yes, parents may refuse benefits by notifying the school after they receive the notice of their eligibility.
2. Q. If the Food Stamp, TANF or FDPIR office provides a document to the household, how does the household indicate that they accept benefits?  
  
A. Submission of this document to the school by the household indicates the household wants to receive free meals or milk.
3. Q. What happens when the household notifies the SFA that their status has changed i.e., they are no longer receiving Food Stamp, TANF or FDPIR benefits?

- A. When this happens, the SFA **must** send the household a notice of adverse action and an application for free and reduced price benefits that would allow them to establish income eligibility. (*See Part 5, Income Eligibility.*)
4. Q. What are the record retention requirements for SFAs that implement direct certification?
- A. SFAs **must** keep documentation for direct certification on file for a minimum of three years after submission of the final claim for reimbursement for the fiscal year to which they apply. In the case of an audit, the SFA **must** keep the documentation on file beyond the three year period until resolution of the audit findings.



## **Part 8**

### **Confidentiality/Disclosure of Eligibility Information**

#### **General**

The issues of privacy and confidentiality of personal data are complicated as well as sensitive. Before developing State and local disclosure policies, SAs and SFAs should discuss the issue with their legal counsel.

SFAs may disclose children's free and reduced price meal eligibility information to programs, activities and individuals that are specifically authorized access under the NSLA. This is an option, not a requirement.

The agency responsible for making the free and reduced price meal or free milk eligibility determination makes the decision on whether or not children's information will be disclosed. This will be the SFA or the school administration. The SFA may opt to disclose children's eligibility information to Medicaid or SCHIP officials if the State agency has not prohibited such disclosure to these health insurance programs and the family does not decline to have their children's eligibility information released.

#### **Aggregate Information**

The SFA may disclose aggregate information to any program or individual, such as the number of children eligible for free or reduced price meals. Information in the aggregate does not identify individual children. Therefore, parental notification and parental consent are not needed.

#### **Which Programs May Receive Information and What Information May Be Disclosed**

The NSLA specifies that persons directly connected to the administration or enforcement of certain programs or activities are permitted to have access to children's eligibility information. The following chart lists programs, the extent of information that may be disclosed (only eligibility status or all eligibility information), and whether the program may have access to children's eligibility information without parental consent or without the opportunity to decline the disclosure. If you have concerns or questions about disclosing children's eligibility information, contact your State agency for further guidance.

<b>Recipient of Information</b>	<b>Information that May be Disclosed to Recipient</b>	<b>Required Notification and Consent</b>
<i>Child Nutrition Programs</i> under the National School Lunch Act or Child Nutrition Act	All eligibility information	Prior notice and consent not required
<i>Federal/State or local means tested nutrition programs</i> with eligibility standards comparable to the NSLP	Eligibility <b>status</b> only	Prior notice and consent not required
<i>Federal education programs</i>	Eligibility <b>status</b> only	Prior notice and consent not required
<i>State education programs</i> administered by a State agency or local education agency	Eligibility <b>status</b> only	Prior notice and consent not required
<i>Local education programs</i>	NO eligibility information, unless parental consent is obtained	Must obtain parental consent
<i>Medicaid</i> or the <i>State children's health insurance programs (SCHIP)</i> , administered by a State or local agency authorized under titles XIX or XXI of the Social Security Act to identify and enroll eligible children	All eligibility information, unless parents elect not to have information disclosed	Must give prior notice to parents and opportunity for parents to decline to have their information disclosed
<i>State health programs</i> other than Medicaid/SCHIP, administered by a State agency or local education agency	Eligibility <b>status</b> only	Prior consent not required
<i>Federal health programs</i> other than Medicaid/SCHIP	NO eligibility information, unless parental consent is obtained	Must obtain parental consent
<i>Local health program</i>	NO eligibility information, unless parental consent is obtained	Must obtain parental consent
<i>Comptroller General</i> of the United States for purposes of audit and examination	All eligibility information	Prior notice and consent not required
<i>Federal, State or local law enforcement officials</i> investigating alleged violations of any of the programs under the NSLA and CNA or investigating violations of any of the programs that are authorized to have access to names and eligibility status	All eligibility information	Prior notice and consent not required

### **“Need to Know”**

Although a program or person may be authorized under the NSLA to receive free and reduced price eligibility information, there **must** be a legitimate need to know to provide a service or carry out an authorized activity.

State Medicaid and SCHIP agencies and health insurance program operators receiving children’s free and reduced price meal or free milk eligibility information **must** use that information to enroll eligible children in State Medicaid or SCHIP. The State Medicaid or SCHIP enrollment process may include seeking to identify and identifying children from low income households, who are potentially eligible for State Medicaid or SCHIP for the purpose of enrolling them in State Medicaid or SCHIP.

### **Parental Notification about Disclosure to Programs other than Medicaid and SCHIP**

SFAs should inform households if they plan to disclose or use eligibility information outside the originating program, i.e., lunch, breakfast or milk program.

The notice of potential disclosure may be in the notice/letter to households that accompanies the free and reduced price meal or free milk application, on the application, or, for children directly certified, in the document informing households of the participants’ eligibility through direct certification. The notification should state that the children’s names, eligibility status and other information provided on the application or obtained through direct certification may be disclosed to certain other Federal, State or local agencies as authorized by the NSLA. A list of the specific programs is not necessary.

### **Parental Notification for Disclosure to Medicaid and SCHIP**

Parents/guardians **must** be notified of the potential disclosure and given the opportunity to elect **not** to have their children’s information disclosed.

The notification **must** inform the parents/guardians:

- that they are not required to consent to the disclosure,
- that the information will be used to facilitate the enrollment of eligible children in a health insurance program,
- and that their decision will not affect their children’s eligibility for free and reduced price meals or free milk.

The notification may be included in the letter/notice to parents/guardians that accompanies the free and reduced price meal or free milk application, on the application itself or in a separate notice provided to parents/guardians.

The notice **must** be given prior to the disclosure and parents/guardians should be given a reasonable time limit to respond. For children who are determined eligible through direct

certification, the notice of potential disclosure may be in the document informing parents/guardians of their children's eligibility for free meals through direct certification.

A prototype notification is in *Appendix D*.

### **Agreements/Memoranda of Understanding**

An agreement is not needed for Federal, State or local agencies evaluating or reviewing Child Nutrition Program (CNP) operations. Similarly, an agreement is not necessary for disclosures to the Comptroller General. These activities are part of routine Child Nutrition Program operations and enforcement.

The SFA should enter into a written agreement with other entities requesting the information (aside from Medicaid or SCHIP) prior to disclosing children's eligibility information.

For entities other than Medicaid or SCHIP the agreement should:

- be signed by both the SFA and receiving entity;
- identify the entity receiving the information;
- describe the information to be disclosed and how it will be used;
- describe how the information will be protected from unauthorized uses and disclosures; and
- describe the penalties for unauthorized disclosure.

For any disclosures to Medicaid or SCHIP, the SFA and receiving agency **must** have an agreement or Memorandum of Understanding.

For Medicaid or SCHIP disclosures, the agreement **must** identify:

- the health insurance program or health agency receiving children's eligibility information;
- describe the information that will be disclosed and specify that the information **must** only be used to seek to enroll children in State Medicaid or SCHIP;
- describe how the information will be used and how it will be protected from unauthorized uses and disclosures;
- describe the penalties for unauthorized disclosure; and
- be signed by both the determining agency and the State Medicaid/SCHIP program or agency receiving the children's eligibility information.

In all cases, the receiving entity **must** be informed in writing that:

- eligibility information may only be used for the purpose for which the disclosure was made;
- further use or disclosure to other parties is prohibited; and
- a violation of this provision may result in a fine of not more than \$1000 or imprisonment of not more than 1 year, or both.

A prototype agreement is in *Appendix E*.

### **Other Disclosures that Require Parental Consent**

Children's parents or guardians may always provide consent for the disclosure of any or all of the information related to their children's eligibility status (i.e., whether children are eligible for free or reduced price meals), or the information that the household provided through the free and reduced price meal eligibility process.

A disclosure to any other Federal, State or local program or individual not included in the NSLA requires parental consent. Other programs that require parental consent are local health and local education programs and other local level activities. For example, the disclosure of children's eligibility for free and reduced price meals to determine children's eligibility for free text books or reduced fees for summer school requires consent when these are local initiatives and not State programs.

The disclosure of information other than names and eligibility status to the programs authorized only to receive participants' names and eligibility status also requires written consent. For example, determining agencies may disclose names and eligibility status to a Federal education program, but if the program requests family size, determining agencies **must** obtain consent prior to disclosure.

### **Consent Statement Requirements**

The consent statement **must** be in writing. It may be obtained at the time of application, or at a later time.

#### **The consent statement must:**

- identify the information that will be shared and how the information will be used.
- be signed and dated. In the case of a child participant, the consent statement **must** be signed by the parent or guardian of the applicant household, even though the application for free and reduced price meals or free milk may be signed by any adult household member. For adult participants in the CACFP, the adult participant **must** sign the consent statement unless a guardian has been appointed.
- state that failing to sign the consent statement will not affect eligibility or participation for the program and that the information will not be shared by the receiving program with any other entity or program.
- enable the parent/guardian/adult to limit consent to only those programs with which he or she wishes to share information. For example, the consent statement could use a check-off system under which the applicant would check or initial a box to indicate that he or she wants to have information disclosed to determine eligibility for benefits from a particular program.

### **Requirements for Disclosure of Social Security Numbers**

The free and reduced price application requires the social security number of the adult household member who signs the application. Most programs that request children's free and reduced price meal eligibility information will not need the adult's social security number.

However, when disclosing or using the social security number provided by the household on the application for any purpose other than the program for which the number was collected (the NSLP, SBP, etc.), the determining agency **must** modify the notice required by the Privacy Act of 1974 concerning the potential uses of the social security number. The notice **must** inform households of the additional intended uses of the number.

## **Penalties for Improper Disclosure**

The NSLA establishes a fine of not more than \$1000 or imprisonment of not more than 1 year, or both, for publishing, divulging, disclosing, or making known in any manner or extent not authorized by Federal law, any eligibility information. This includes the disclosure of eligibility information by one entity authorized under the NSLA to receive the information to any other entity, even if that entity would otherwise be authorized to receive the information directly from the determining agency.

## **Questions and Answers**

1. Q. What does disclosure mean as it relates to children's personal free and reduced price meal eligibility information?
  - A. Disclosure means revealing or using individual children's program eligibility information that is obtained through the free and reduced price eligibility process for a purpose other than the purpose for which the information was obtained. Disclosure includes but is not limited to access, release, or transfer of personal data about children by means of print, tape, microfilm, microfiche, electronic communication or any other means. It includes eligibility information obtained through the free and reduced price application or through direct certification and whether the children are eligible for free meals or reduced price meals.
2. Q. May representatives of State or local education agencies evaluating the results and compliance with student assessment programs have access to children's eligibility information?
  - A. State and local representatives of State or local education agencies would be covered only to the extent that the assessment program was established at the State, not local level.
3. Q. May the principal of a school compare the test scores of students in his/her school, by socioeconomic status, to the test scores of students in another school in the same district?
  - A. Students' names and free or reduced price eligibility status may be disclosed, without consent, for a Federal or State education program. Parental consent is required for disclosure for a local education program or use.
4. Q. May the SFA disclose eligibility information to other CNPs?
  - A. The SFA may disclose all eligibility information from children's free and reduced price applications or information obtained through direct certification to persons directly connected with the administration or enforcement of the *programs authorized under the NSLA or Child Nutrition Act of 1966*. This includes the NSLP, SBP, SMP, Child and Adult Care Food Program (CACFP), Summer Food

Service Program(SFSP), and the Special Supplemental Nutrition Program for Women, Infants and Children (WIC). This means that program eligibility information collected for any one of the CNPs may be shared with another CNP, even if the programs are sponsored by different entities. For example, a public school may disclose information from children's free and reduced price school meal applications, without parental consent, to a SFSP administered by Parks and Recreation.

5. Q. Can we disclose children's eligibility information to State health insurance programs?

A. State health programs may be provided children's eligibility information provided the programs are administered by a SA or a local education agency. In the case of Medicaid and SCHIP, there is no requirement that a SA or local education agency administer them.

6. Q. Who are persons "directly connected" to the administration or enforcement of a program?

A. The SFA may disclose children's eligibility status only to persons determined to be "directly connected" with the administration or enforcement of a Federal education program, State education program, State health program or a means-tested nutrition program; also, to persons directly connected with the Comptroller General Office or law enforcement for an authorized activity.

Persons directly connected to program administration or program enforcement include Federal, State and local program operators responsible for the ongoing operation or activities of their respective program, and compliance officials responsible for the monitoring, reviewing, auditing or investigating a program authorized to have access to free and reduced price eligibility information.

7. Q. Who are persons "directly connected" with the administration of State Medicaid and SCHIP?

A. Persons directly connected with the administration of State Medicaid and SCHIP for purposes of disclosure of free and reduced price meal and free milk eligibility information are State employees and persons authorized under Federal and State Medicaid and SCHIP requirements to carry out initial processing of applications or to make eligibility determinations. Check with your State Medicaid/SCHIP coordinator to determine the persons or entities in your State authorized to enroll children in Medicaid and SCHIP.

8. Q. To which nutrition programs may an SFA disclose children's eligibility information?



- A. Federal, State, or local means-tested nutrition programs with eligibility standards comparable to the NSLP (i.e., food assistance programs to households with income at or below 185 percent of the Federal poverty level, such as the Food Stamp Program or a State or local nutrition program).
9. Q. Who is responsible for making the decision on whether to disclose children's eligibility status and/or to disclose other personal information?
- A. Whether or not to disclose children's eligibility information is a local decision. The SFA should develop a policy on disclosing free and reduced price meal eligibility information. However, for disclosures to Medicaid and SCHIP, the decision on disclosure is a joint decision. Both the SA and SFA **must** agree to disclose children's information to Medicaid and SCHIP.
10. Q. When I notify parents that their information will be disclosed to Medicaid or SCHIP unless they decline to have their information shared, how long to I have to wait for a response from the parent before I release their information?
- A. SFAs should provide adequate time for any parental response. A minimum of 10 calendar days should be provided. It is a good idea to include a date in the parental notification statement that informs households that they **must** respond by a specified date if they do not want their information disclosed to Medicaid or SCHIP.
11. Q. Can the SA enter into a Memorandum of Understanding for all SFAs?
- A. No.
12. Q. How do I know who to contact for more information regarding Medicaid and SCHIP?
- A. For State and Federal Medicaid, visit [www.hcfa.gov/medicaid/mcontact.htm](http://www.hcfa.gov/medicaid/mcontact.htm) , and for SCHIP, visit [www.hcfa.gov/init/statepln.htm](http://www.hcfa.gov/init/statepln.htm) .

## **Part 9**

### **Verification of Eligibility for School Meals**

#### **Definition**

Verification is confirmation of eligibility for free and reduced price meals under the NSLP and SBP.

Verification **must** include either confirmation of income eligibility or confirmation that the child is included in a household currently certified to receive Food Stamps, FDPIR or TANF benefits, and may include confirmation of any other information required in the application.

#### **Exceptions from Verification Requirements**

##### **Verification efforts are not required:**

- for children who have been certified under direct certification procedures;
- for children in RCCIs except for applications for any day students attending the institution;
- in schools in which the FNS has approved special cash assistance claims based on economic statistics regarding per capita income, e.g., Puerto Rico and the Virgin Islands;
- in schools in which all students are served with no separate charge for food service and no special cash assistance is claimed, i.e., nonpricing programs claiming only the paid rate of reimbursement;
- in schools participating in the SMP. NOTE: Schools may choose not to count applications for students in split-session kindergarten programs participating in the SMP in meal program schools when determining the verification sample size; or
- in SFAs in which all schools participate in Provisions 1, 2 or 3 except in those years in which applications are taken for all students in attendance, i.e., the base year.

## **Verification Requirements**

Annually, each SFA **must** select and verify a sample of applications approved for benefits, unless the SA assumes responsibility for verification or the SFA is otherwise exempt from the verification requirement under the exemptions listed in the previous section.

SFAs **must** use either a “random” sampling method or “focused” sampling method to select applications to be verified. However, the SA may require all its SFAs to do either random or focused sampling. Check with your SA for this requirement.

EXCEPTION: An SFA may choose to verify all (100 percent) of the applications received. If 100 percent of the applications are verified at the time of application, the procedures outlined in FNS Instruction 765-9 **must** be applied. See “Verification at the Time of Application” below.

**NOTE:** While we encourage SFAs to complete all of this verification activities by December 15, only the required number **must** be verified by December 15.

The required sample size is based on:

- 1) the total number of approved applications on file on October 31; and
- 2) whether the SFA employs random or focused sampling for selecting the applications to be verified.

**NOTE:** An application is counted as one application regardless of whether it is a multi-child application or an application for one child. The sample size depends on the number of paper applications, not the number of children represented. When calculating sample sizes, all fractions or decimals **must** be rounded upward to the nearest whole number. A multi-child application counts as one application in calculating the sample size.

**NOTE:** Direct certifications are not included in the application pool.

### **RANDOM SAMPLING**

Under **random sampling**, the SFA **must** verify a minimum of the lesser of 3 percent or 3,000 of the total number of approved applications. A random selection procedure **must** be used.

## FOCUSED SAMPLING

Under **focused sampling**, the SFA **must** verify a minimum of:

- 1) the lesser of 1 percent or 1,000 of the **total** number of approved applications (both income and categorical). The sample is selected from income applications with total household income within \$100 monthly or \$1,200 annually of IEGs for free and reduced price meals for that size household;

**PLUS**

- 2) the lesser of .5 percent (one half of one percent) or 500 of the total number of applications that were approved based on categorical eligibility, i.e., currently certified for Food Stamps, FDPIR or TANF. The sample is selected from applications with a Food Stamp, FDPIR or TANF number, or other FDPIR identifier.

The SFA **must** complete verification of the minimum required sample size by December 15. Completion of verification is discussed further under *Completion of Verification*, in this section.

Verification **must** take place **after** the application has been approved, even when the SFA requires households to submit documentation of eligibility with the application.

### **Implementation**

Although the required sample size under both random and focused sampling is based on the number of approved applications on file on October 31, SFAs may begin verification before this date. SFAs may project the number of approved applications that they anticipate will be on file on October 31, based on their experience. However, the SFA **must** compare this estimate with the actual number of applications on file on October 31 and increase the sample size if the total number of approved applications on file exceeds the estimate.

SFAs may verify more than the required minimum sample (up to 100 percent of all approved applications) as long as the selection of applications does not involve discrimination against anyone on the basis of race, color, national origin, age, sex, or disability. **The SFA has an obligation to verify all questionable applications (for cause)**. However, any verification that is done “for cause” is **in addition** to the sample required for either random or focused sampling.

The SFA **must** complete the verification process for all households that have been notified of their selection for verification and have been asked to submit verification information.

**When calculating sample sizes, round all fractions or decimals upward to the nearest whole number.**

### **Random Sampling**

Under the random sampling method, each application **must** have an equal chance of being selected, including all categorical and income applications.

### **Required Random Sample Size and Selection**

The minimum required sample size is **3 percent or 3,000**, whichever is less, of **all approved applications on file** on October 31. A random sample should include both income eligible and categorically eligible applications. No attempt may be made to select only applications approved based on categorical eligibility.

Calculation and selection of the minimum required number of applications in the SFA to verify under random sampling:

(1) Count the total number of approved applications on file on October 31. Multiply the total by .03. **Round decimals upward**. At least one application **must** be verified.

Example:  $340 \text{ applications} \times .03 = 10.2 \text{ applications}$ . Round upward to 11 applications.

(2) Compare the result in Step 1 to 3,000. The sample size is the lesser number.

Example: In this example, 11 applications **must** be verified to meet the required sample size.

(3) Randomly select the required number of applications.

A selection interval may be used. This can be accomplished by dividing the total number of approved applications on file in the SFA by the sample size to determine the selection interval.

Example: If there are 340 applications on file and 11 are required to be verified, divide 340 by 11 = 30.9. In this case, the selection interval is 31. Number all the applications. Randomly select an application from the total approved, and then choose every 31st application until 11 applications have been selected.

SFAs are not required to select a statistically valid random sample. Any selection method in which each application has an equal chance of being selected is sufficient.

### **Focused Sampling**

In focused sampling, a minimum required percentage or number of applications approved based on income eligibility **must** be selected for verification AND a minimum required percentage or number of applications approved based on categorical eligibility **must** be selected for verification.

### **Required Sample Size Under Focused Sampling**

Under focused sampling, the SFA **must** verify:

- 1) 1 percent of *total approved applications*; if this percentage results in verifying more than 1000 applications, the SFA may limit verification to 1000 applications **plus**
- 2) the lesser of .5 percent (half of 1 percent) or 500 applications with a case number (Food Stamp, TANF or FDPIR case number or other FDPIR identifier).

### **Calculation of 1 Percent**

- 1) Determine the *total* number of approved free and reduced price meal applications on October 31 (applications with income information and applications with a case number).
- 2) Multiply the total number of approved applications with income information that the SFA **must** verify.

For example, an SFA has 4500 total approved free and reduced price applications on October 31 (3500 with income information and 1000 with a case number). Multiply  $4500 \times .01 = 45$  applications. The SFA **must** verify 45 applications that have income information. When the number exceeds 1000, the SFA may limit their verification of income applications to 1000 income applications.

### **Selection of Income Applications**

- 1) Select the 1 percent or 1000, whichever is less, from approved applications that listed household income within \$100 monthly or \$1200 annually of the free and reduced price eligibility guidelines for that household size.
- 2) If there are more applications with monthly income within these limits than needed to meet the minimum sample size, select the sample using any method that is equitable and ensures that the same households are not selected each year.
- 3) If there are not enough applications with income within \$100 monthly or \$1200 annually to meet the minimum required sample, select the remainder to be verified from applications with monthly (or annual) income closest to these thresholds.

- 4) If the total number of income applications is smaller than the required sample size, verify all income applications.

### **Calculation of .5 Percent**

- 1) From total approved applications, determine how many were approved because the household included a current Food Stamp, TANF or FDPIR case number or other FDPIR identifier.
- 2) Multiply the total number of applications with a case number by .005 (half of 1 percent). This is the number of applications with a case number that the SFA **must** verify. When the number exceeds 500, the SFA may limit their verification of applications with a case number to 500.

For example, a SFA has 4500 total approved free and reduced price applications on October 31. One thousand of these applications have a case number. Multiply  $1000 \times .005 = 5$  applications. The SFA **must** verify 5 applications that have a case number.

### **Selection of Applications with a Case Number**

Select .5 percent (half of 1 percent) or 500, whichever is less, of the applications with a Food Stamp, TANF or FDPIR case number or other FDPIR identifier. If there are more applications with a case number than needed to meet the minimum sample size, select the sample using any method that is equitable and ensures that the same households are not selected each year.

### **Summary of Example**

In the example provided, the SFA with 4500 applications (3500 with income information and 1000 with a case number) **must** verify 45 applications with income information and 5 applications with a case number for a total of 50 applications.

For a focused sample, a minimum of one categorically eligible application and one income application **MUST** be verified.

### **Verification at the Time of Application**

SFAs may require households to provide information to verify eligibility for free and reduced price benefits at the time of application. Schools electing this option are cautioned that they **must not** allow verification efforts to delay the approval of applications; nor can schools disapprove applications based on information submitted for verification. If an application is complete and indicates that the child is eligible for free or reduced price benefits, the application **must** be approved. Only after the determination of eligibility has been made can the school begin the verification process. Schools electing this option **must** observe the following three steps:

- 1) **Notice to Household** - Include a statement in the notice to the household that accompanies the application that, although the initial eligibility determination will be based solely on the application, households are required to submit verification of eligibility information with the application for continued eligibility.
- 2) **Determination of Eligibility** - As applications are returned, review each application to determine household eligibility based on the submission of a complete application. Households **must** be informed of this initial determination of eligibility. Lack of verification information or submission of verification information that does not support the content of the application **must not** affect the initial determination of eligibility.
- 3) **Review of Verification Documentation and Notice of Adverse Action** - Any household that fails to submit requested verification information by the date specified by the SFA or that submits verification information that does not support the initial determination of eligibility **must** be sent a notice of adverse action. This notice **must** include all the required items in the standard termination or reduction notice, including giving the household 10 calendar days' advance notice of the termination or reduction of their benefits.

NOTE: Step 3 may be combined with Step 2 so that the notice of initial approval and notice of adverse action are combined in a single letter.

Once households have been requested to provide income documentation, the SFA **must** complete the verification process for these households. If all households are requested to provide documentation, the SFA is responsible for completing the verification process for all households. Verification efforts should be completed within a reasonable time.

### **Household Notification of Selection**

When a household is selected for verification and is required by the SFA to submit documents or other forms of evidence to document eligibility, the household **must** be sent a notice or letter informing them of their selection and of the types of information acceptable to the SFA. Prototype materials are in *Appendix F*. The letter or notice **must** include the following:

- that the household has been selected for verification;
- that the household **must** provide the social security number for each adult household member or indicate that a household member does not possess one;
- a Privacy Act statement. (*See Part 3, Public Announcement About Benefits, Application Form Requirements.*);



- the types of acceptable information that may be provided to confirm current income, including pay stubs, award letters from welfare departments, social security, and support payment decrees from courts;
- that the household **must** submit documentation of income received during the most recent month that is available. If this amount is unusual, the household should contact the SFA for assistance in determining acceptable documentation;
- that the household may provide proof that the child is a member of a currently certified Food Stamp, TANF or FDPIR household instead of providing income information and social security numbers of adult household members;
- that information **must** be provided by a date as specified by the SFA and that failure to do so will result in termination of benefits; and
- the name and telephone number of a school official who can answer questions and provide assistance.

When the SFA uses agency records (*see Verification of Categorical Eligibility, Agency Records, this section*) to verify eligibility, the letter or notice of selection is **not** required, since the household will not have to provide documents and household cooperation will not be necessary.

### **Verification Methods**

**Written Evidence** - Written evidence is the primary source of eligibility confirmation for all households including Food Stamp, TANF or FDPIR households.

Written evidence is most often pay stubs from employers or award letters from welfare departments or other government agencies submitted by the household to the verifying officials as confirmation of eligibility.

Acceptable written evidence for income eligible households contains the name of the household member, amount of income received, frequency received, and the date the income was received. For example, a pay stub with no dates would be insufficient.

Acceptable written evidence for categorically eligible households contains a written statement from the Food Stamp, TANF, or FDPIR agency that specifies that the child is a member of a household currently receiving benefits.

**Collateral Contacts** - A collateral contact is a person outside of the household who is knowledgeable about the household's circumstances and can give confirmation of a household's income or Food Stamp, TANF or FDPIR status.

Collateral contacts include employers, social service agencies, migrant workers' agencies, and religious or civic organizations.
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The verifying official should request a collateral contact only in cases when the household has not been able to provide adequate written evidence.

The verifying official **must** give the household the opportunity to designate the collateral contact. However, the verifying official may select a collateral contact if the household fails to designate one or designates one who is unacceptable to the verifying official. In either case, no contact may be made without first notifying the household and obtaining their permission.

All collateral contacts are to be documented, dated, and initialed.

**Agency Records** - A household's eligibility may be confirmed through the use of information maintained by other government agencies to which the SA, SFA, or school has legal access. Although USDA regulations do not require that households be notified of selection when verification is made through agency records, such agencies may have their own notification requirements.

One source of agency records is the wage and benefit information maintained by the State employment agency if that information is available to the verifying official. Such records are State records, and the release of information maintained by State employment offices is governed by State law.

The SFA may also submit the names and case numbers of categorically eligible households to the local Food Stamp, TANF or FDPIR office. Food Stamp, TANF or FDPIR offices are permitted to release eligibility information from their files to other Federal assistance programs and Federally-assisted State programs.

- When using agency records, the SFA should request information for the most recent month available. Households that dispute the validity of income information acquired through systems of records **must** be given the opportunity to send more recent income information during the 10 calendar day period of advance notice of adverse action. (*See Part 4, Processing of Applications, Complete Application.*)

### **Verification of Income Eligibility**

#### **Request for Written Evidence**

The notification of selection for verification **must** include a request for the household to submit written evidence of current income for all household members and the social security number of each adult household member 21 years of age or older. Households indicating zero income **must** be asked for a written explanation of how living expenses are met.

One of the following three situations will result:

- 1) The household submits the required social security numbers and written evidence of current income that confirms the eligibility determination previously made. Verification is considered complete.
- 2) The household submits the required social security numbers, and written evidence of current income that shows the household's eligibility should be for either a higher or lower level of benefits than the eligibility determination previously made. Verification is considered complete when the letter of adverse action is sent or the household is notified that its benefits will be increased.
- 3) The household does not respond to the request for income information and/or social security numbers, or the household submits insufficient or obsolete written evidence. When either situation occurs, the SFA can do one of two things:
  - a) School officials may contact the household to request the missing written evidence and inform the household that failure to comply or to designate a collateral contact will result in termination. If the household subsequently cooperates, then either # 1 or # 2 above would apply. OR
  - b) School officials may terminate benefits to the household for failure to respond to the request for written evidence or failure to cooperate with the verification process. Verification is considered complete when the advance notice of adverse action is sent to the household.

### **Verification Using Collateral Contacts**

When the household has been unable to provide adequate written evidence, the household may identify a collateral contact from which the SFA could obtain the requested information, either orally or in writing.

A collateral contact would not be expected to provide social security numbers of the adult household members. These still **must** be provided by the household.

The SFA will examine any written information provided by the collateral contact or evaluate any oral information. Based on this, either situation #1 or #2 discussed under *Verification of Income Eligibility, Request for Written Evidence*, will result.

If the collateral contact is unwilling or unable to provide the requested information, then benefits to the household should be terminated for failure to respond. (*See Verification of Income Eligibility, Request for Written Evidence, this section.*)

## **Verification Using Agency Records**

A household's eligibility may be confirmed through the use of information maintained by other government agencies to which the SFA has legal access. (*See Verification Methods, Agency Records, this section.*)

The SFA will examine the information received from the agency. Based on this review, either situation #1 or #2 under *Verification of Income Eligibility, Request for Written Evidence*, would apply.

EXCEPTION: Households that dispute the validity of the information **must** be given the opportunity to provide more recent income information during the 10 calendar day advance notice period of adverse action.

## **Advance Notice of Adverse Action**

All households with children for whom benefits are to be reduced or terminated **must** be given 10 calendar days' written advance notice of the change. *See Notification of Adverse Action* in this section for the specific information the notice **must** contain. The first day of the 10 calendar day advance notice period is the day the notice is sent.

## **Verification of Categorical Eligibility**

### **Request for Written Evidence**

A school can place the responsibility for verifying receipt of Food Stamps, TANF or FDPIR benefits on the household. The notification of selection **must** include a request for the household to submit written evidence of current certification to receive Food Stamp, TANF or FDPIR benefits. Every time a household is approved for Food Stamps, TANF or FDPIR, they are furnished with a letter of certification or notice of eligibility. The verifying official should examine this notice of eligibility to ensure that the child for whom application was made is part of a household currently participating in Food Stamps, TANF or FDPIR. If a Food Stamp household has misplaced the notice of eligibility or notice of certification, a current "Authorization to Participate" (ATP) card is adequate proof of current certification. ATP cards are usually issued once a month and are immediately redeemable by the household at a bank or elsewhere for the actual Food Stamps. Unlike the ATP cards, Electronic Benefit Transfer (EBT) cards do not confirm current eligibility in the Food Stamp Program, and therefore cannot be used for categorical eligibility purposes.

A Food Stamp, TANF or FDPIR document that does not specify the certification period is not adequate for documentation. For example, the Food Stamp identification card is not acceptable because it usually does not have an expiration date.

A household that does not have satisfactory Food Stamp, TANF or FDPIR documentation may request a signed, dated letter from the Food Stamp, TANF or FDPIR office, certifying that the child for whom the application is being submitted is part of a household currently receiving Food Stamps, TANF or FDPIR benefits.

Verification is complete when the household submits adequate documentation of current participation in Food Stamps, TANF or FDPIR, or a letter of adverse action is sent.

### **Agency Records**

Verification of eligibility for households that provided a Food Stamp, TANF or FDPIR case number on the application may be accomplished by submitting a list of names and Food Stamp, TANF or FDPIR case numbers to the local Food Stamp or welfare office for confirmation of certification of receipt of benefits from agency records.

To facilitate the verification process, contact should be made with the local Food Stamp or welfare office prior to submitting such lists to discuss the methods by which verification requests should be handled. SFAs that verify eligibility through the local Food Stamp, TANF or FDPIR office should do so as early as possible. This will ensure that there is sufficient time for that office to respond to the request **and** sufficient time to acquire other verification if households are identified as **not** currently receiving Food Stamps, TANF or FDPIR or if the Food Stamp, TANF or FDPIR office does not respond in a timely manner. If circumstances beyond the control of the SFA delay verification, the SFA may request that the SA allow an extension of the verification deadline. Any extension of the deadline **must** be approved by the FNS regional office.

Verification is **complete** when the local Food Stamp, TANF or FDPIR office confirms that the household is currently certified to receive Food Stamps, TANF or FDPIR or the school sends a notice of adverse action.

### **Advance Notice of Adverse Action**

When it is determined that the child is not part of a household currently certified to receive Food Stamps, TANF or FDPIR the household **must** be given 10 calendar days' **written** advance notice of termination and **must** be informed that to continue school meal benefits they **must**:

- submit an application providing income information,
- submit names and social security numbers for each adult household member, and
- submit written evidence that confirms current household income.

The first day of the 10 calendar day advance notice is the day the notice is sent.

## **Completion of Verification**

Verification of the required sample size **must** be completed by December 15 of each year. If the SFA believes that it will not meet this deadline, a written request for an extension **must** be submitted to the SA prior to December 15. This request **must** then be submitted to FNSRO for approval.

Verification of an individual application is complete when a household's eligibility for the level of benefits for which it was approved is:

- confirmed; or
- changed to a higher level of benefit; or
- a letter of adverse action has been sent informing the household that benefits will be reduced; or
- a letter of adverse action has been sent informing the household that benefits will be terminated.

## **Verification Results**

Verification of a household's income eligibility for free or reduced price meals **must** result in one of the following:

**No change in benefit level** - The household's current documentation supports the level of benefits for which the household has been approved.

**Reduction in benefit level** - The household's current documentation identifies income too high for the level of benefits for which the child has been approved. Therefore, the household's eligibility **must** be changed from free to reduced price, free to paid, or from reduced price to paid.

**Increase in benefit level** - The household's current documentation qualifies the household for free meals rather than reduced price meals. Therefore, the household's eligibility **must** be changed from reduced price to free meals.

**Termination of benefits** - Free and reduced price benefits **must** be terminated for households that do not respond to verification efforts or whose current documentation does not support eligibility for either free or reduced price meals.

If verification results in a change in benefit level or termination, the change **must** be extended to all children in the household who were determined eligible by information that no longer supports the benefit level.

If verification results in higher benefits (e.g., a child who is moved from the reduced price to free category), this change is effective immediately and **must** be implemented no later than 3 operating days later. Parents should be notified through whatever channels the SFA uses to notify the household of approval for benefits.

### **Notification of Adverse Action**

All households for whom benefits are to be reduced or terminated **must** be given 10 calendar days' written advance notice of the change. A prototype notice of adverse action is in *Appendix G*.

The first day of the advance notice period is the day the notice is sent.

The notice **must** advise the household of the following:

- the change in benefits;
- the reasons for the change;
- that an appeal **must** be filed within the 10 calendar day advance notice period to ensure continued benefits while awaiting a hearing and decision;
- the instructions on how to appeal;
- that the household may reapply for benefits at any time during the school year; and
- that Food Stamp, FDPIR or TANF households may submit an application containing household names and income information and provide written evidence of current household income and the social security numbers of adult household members.

### **Benefits During Appeal**

When a household appeals a reduction or termination of benefits within the 10 calendar day advance notice period, the SFA **must** continue to provide the benefits for which the child was originally approved until a final determination is made. The SFA may continue to claim reimbursement at that level during this period.

When a household does not appeal a reduction or termination of benefits during the 10 calendar day advance notice period, or the hearing official rules that benefits **must** be reduced, the actual reduction or termination of benefits **must** take place no later than 10 operating days after the 10 calendar day advance notice period, or 10 calendar days after the decision by the hearing official.

### **Hearing Procedure**

The hearing procedure in the SFA's free and reduced price policy statement **must** be followed. The hearing official **must** be an individual who was not connected with the approval or verification process.

The household may request a school conference prior to a formal hearing. Any such conference **must not** prejudice a later appeal.

### **Households that Reapply for Program Benefits**

Households affected by a reduction or termination of benefits may reapply for benefits at any time during the school year. **However, if benefits to a household have been terminated and the household reapplies in the same school year, the household should be required to submit income documentation or proof of participation in Food Stamps, FDPIR or TANF at the time of reapplication.** The SFA may verify the households' eligibility prior to approval. These are not considered new applications.

### **Recordkeeping**

Documentation **must** be kept by the SFA to demonstrate compliance with the verification requirements when SFAs are reviewed by State or Federal reviewers. Documentation would also be needed in case of an applicant's appeal.

SFAs **must** maintain a description of their verification efforts. The description **must** include:

- a summary of the verification efforts including the selection process; the total number of applications on file on October 31; and the percentage or number of applications that are/will be verified by December 15.



In addition, verified applications **must** be readily retrievable by school. For each application the SFA **must** keep records of the source of information used to verify the application such as the Food Stamp office, wage stubs, or collateral contacts. The following information **must** be documented:

- copies of all relevant correspondence between the households selected for verification and the SFA or school;
- if the application is verified by documents submitted by the household, the SFA **must** retain either: (1) all documents submitted by the household; (2) reproductions of those documents; or (3) in cases where the actual documents or photocopies cannot be kept, the verifying official **must** make a written record of the documents submitted by the household including the type of document, e.g., wage stubs or letter from an employer, income shown on the document, time period of the income, and the date of the document; and
- any changes in eligibility as a result of verification procedures, the reasons for the changes, and the date the change was made.

SFAs should also record:

- any additional information necessary to show the efforts made by the SFA to meet the verification requirements, and
- the title and signature of the verifying official.

## Questions and Answers

1. Q. What kind of written evidence is required for verification of a foster child's application?
  - A. School officials should contact the household in which the foster child resides and ask for the name, agency, and phone number of the social worker assigned to that child. A phone call to the social worker confirming the child's status as a foster child and the amount of money designated by the agency for the child's personal use is sufficient verification. The school official should, however, document the phone conversation with the social worker (identifying the social worker, agency, phone number, status of the child, and the child's personal-use income). Another approach would be to ask the foster family for a copy of a written communication between the foster family and the placement agency in which the status of the child and the financial arrangement is stated. If the family is unable to provide such information, a phone call to the placement agency to confirm the child's status and income should be made prior to denying the child free meals.
2. Q. What if an application is selected for verification, but the household transfers out of the school district before the information can be verified?
  - A. Verification is considered complete when a household's eligibility for the level of benefits for which it was approved is either confirmed, increased, or the household is sent a letter of adverse action. If a household selected for verification transfers out of the district before the information can be verified, verification cannot be completed. To meet the minimum verification requirements, a new application **must** be selected.
3. Q. What if I use other agency records and the agency does not provide a response before December 15?
  - A. Any extensions to the December 15 deadline **must** be approved in writing by the FNS. If the SFA contacted another agency well in advance of the December 15 deadline, it has demonstrated good faith and would likely be given an extension.
4. Q. How is overtime income counted for the purposes of verification?
  - A. The school official should work with the household to determine whether the overtime for the month being verified is representative of overtime received in other months. If the overtime is a one-time or sporadic source of income, income should be calculated based on the regular monthly income without overtime.
5. Q. Am I verifying eligibility at the time of application or current eligibility?

- A. Verification is intended to establish current eligibility. When written evidence or collateral contacts are the primary sources of information, the SFA **must** require submission of income information for the most recent full month that is available. When using a system of records, the SFA may choose to verify a recent month and the entire sample may be verified for the same month. Households that dispute the validity of income information acquired through systems of records **must** be given the opportunity to produce more recent income information.
6. Q. If a household is paid weekly and submits a pay stub for a week, **must** I go back and ask for pay stubs for a whole month?
- A. No. If the weekly pay stub is representative of what the household normally receives each week, one pay stub is sufficient.
7. Q. If an SFA chooses to do 3 percent verification, **must** it select 3 percent of the applications from each school in the SFA or is the sample selected from the SFA as a whole?
- A. SFAs are required to select and verify a sample of their approved free and reduced price applications. The SFA as a whole **must** meet the 3 percent sample. This does not mean that each school has to do 3 percent. The sample may be selected from one or more schools or from the SFA as a whole, provided that the verification efforts are applied without regard to race, sex, color, national origin, age, or disability. Also, any selection method **must** ensure that all applications are subject to being sampled; e.g., if the SFA has decided to select the 3 percent verification sample from only one school in the SFA, all applications in that one school **must** have an equal chance of being selected. Also, if verification is done in only one school, the same school should not be selected each year.
8. Q. If my sample size is 4.2 applications, do I verify 4 or 5?
- A. Partial numbers **must** be rounded up to the next whole number. You **must** verify 5 applications.
9. Q. If a larger sample is selected, such as 5 percent, does the 5 percent have to be verified by December 15?
- A. The SFA only has to meet the minimum sample requirements, i.e., 3 percent under random sampling, by December 15. The remaining 2 percent, while it has to be completed, may be completed after December 15 but as soon as possible.
10. Q. Do we have to maintain the actual documentation from verification or just the results of verification?
- A. SFAs are required to maintain three things:

- (1) a description of their verification efforts,
- (2) documentation of the verification, and
- (3) the results of the verification.

The description **must** summarize the selection process and techniques, the total number of applications on file on October 31, and the percentage or number of applications verified.

The applications selected **must** be readily retrievable by school, and the SFA **must** document correspondence between the selected households and the SFA or school. If the application is verified by documents submitted by the household, the SFA **must** either retain the documents or a photocopy, or if that is not possible, the relevant information can be copied from the document. If the SFA chooses to copy the information, enough of a record **must** be retained from the document to verify eligibility, including the type of document, e.g., ATP card or pay stub, time period of eligibility or income, income shown on the document, and the date of the document. If other sources are used to document eligibility, such as the Food Stamp office or collateral contacts, records of those sources and the information received **must** be documented as well.

The SFA **must** also keep a record of any change in eligibility as a result of verification procedures, the reason for the change, and the date the change was made.

11. Q. When an advance notice of adverse action has been sent to a household, can the SFA claim reimbursement for that child during the period covered by the advance notice?
  - A. Yes. The household **must** be given 10 calendar days' advance notice that a change is being made in the child's eligibility status. During that time, the child **must** continue to receive free or reduced price meal benefits and the SFA may continue to claim reimbursement for free or reduced price meals served to the child during this period.
12. Q. Can the determining official make an eligibility determination based upon other income sources, which were not declared on the application but about which the official knows?
  - A. No. The determining official **must** make the initial determination based upon the face value of the application. However, immediately after the application is approved, the SFA may begin the verification process on that application.
13. Q. What if the determining official suspects that there are other sources of income?
  - A. Any application that contains questionable information **must** be verified as soon as possible.

## **Part 10**

### **Glossary**

**Categorical Eligibility** means that any child who is a member of a household eligible to receive benefits from Food Stamps, TANF or FDPIR is automatically eligible for free meals or free milk.

**CNP** refers to the Child Nutrition Program.

**CFR** stands for the Code of Federal Regulations. Child nutrition regulations are contained in Title 7 of the Code of Federal Regulations.

**Direct Certification** is a simplified method of determining some children's eligibility for free meals under the NSLP, SBP or free milk under the SMP without having the family complete a free and reduced price meal or free milk application. The SFA and/or SA (on behalf of the SFA) obtains documentation from the appropriate State or local Food Stamp or TANF agency that enables the SFA to determine the children are members of households currently certified to receive Food Stamps or TANF. This procedure may also be used to certify children whose households participate in FDPIR.

**FNS** is the Food and Nutrition Service of the U.S. Department of Agriculture that is responsible for administering the domestic food assistance programs.

**FNSRO** is a Food and Nutrition Service Regional Office.

**FDPIR** refers to the Food Distribution Program on Indian Reservations.

**Food Stamp Household** refers to any individual or group of individuals currently certified to receive benefits under the Food Stamp Program.

**Free Meal** is a meal served under the National School Lunch or School Breakfast Program to a child from a household eligible for such benefits under 7 CFR Part 245 and for which neither the child nor any member of the household pays or is required to work in the school or in the school's food service.

**Free Milk** is milk served under the Special Milk Program to a child from a household eligible for free milk under 7 CFR Part 245 and for which neither the child nor any member of the household pays or is required to work in the school or in the school's food service.

**Income Eligible** means that any child from a household whose current income is at or below the household size/income limits set forth in the current income eligibility guidelines (IEGs) is eligible for either free or reduced price meals or free milk, as applicable.

**IEGs (Income Eligibility Guidelines)** are the household size and income levels prescribed annually by the Secretary of Agriculture for determining eligibility for free and reduced price meals and for free milk. The free guidelines at or below 130 percent of Federal poverty guidelines and the reduced price guidelines are between 130 and at or below 185 percent of poverty guidelines.

**NSLP (National School Lunch Program)** is the program under which participating schools operating a nonprofit lunch service receive general and special cash assistance and donated food assistance in accordance with 7 CFR Part 210. This includes afterschool snacks and commodity schools.

**Overt Identification** means any action that openly identifies children as eligible for free or reduced price benefits in the National School Lunch Program, School Breakfast Program, or Special Milk Program.

**Reduced Price Meal** is a lunch priced at 40 cents or less, an afterschool snack of 15 cents or less or a breakfast served at 30 cents or less, to a child from a household eligible for such benefits under 7 CFR Part 245.

**RCCI (Residential Child Care Institution)** is generally any distinct part of a public or nonprofit private institution that (1) maintains children in residence, (2) operates principally for the care of children, and (3) if private, is licensed by the State or local government to provide residential child-care services under the appropriate licensing code. RCCIs are included under the regulatory definition of “School” for CNP purposes.

**SBP (School Breakfast Program)** is the program under which participating schools operating a nonprofit food service receive cash assistance in accordance with 7 CFR Part 220.

**SNP (School Nutrition Programs)** are the National School Lunch Program, School Breakfast Program and Special Milk Program.

**SFA (School Food Authority)** is the governing body that is responsible for the administration of one or more schools and either has the legal authority to operate the program in these schools or is otherwise approved by FNS to operate the program.

**SMP (Special Milk Program)** is the program under which participating schools operating a nonprofit milk program receive cash assistance for each half-pint of milk served in accordance with 7 CFR Part 215.

**7 CFR Part 245** is the regulation governing the determination of eligibility for free and reduced price meal benefits in the National School Lunch and School Breakfast Programs and for free milk in the Special Milk Program.

**SA (State Agency)** is either (1) the State education agency or (2) any other agency of the State designated by the governor or other appropriate executive or legislative authority of the State and approved by USDA to administer the school nutrition programs.

**TANF household** refers to any individual or group of individuals currently certified to receive assistance under the Temporary Assistance to Needy Families (TANF) Program.

**United States Department of Agriculture (USDA)** is the Federal agency designated by Congress to administer the National School Lunch, School Breakfast, and Special Milk Programs.

## **Appendices**

The following documents are examples of prototype application materials that the Department developed for families to apply for free and reduced price meals or free milk. Also, these forms are translated into numerous different languages. These translated forms can be found on the Department's web site, located at [www.fns.usda.gov/cnd/Translations/Default.htm](http://www.fns.usda.gov/cnd/Translations/Default.htm).

The application materials shown here are not necessarily official documents, but instead they are prototypes issued by the Department. States may adopt these or develop their own State specific forms. For application forms for your State, contact your State administering agency responsible for the administration of the Child Nutrition Programs. Contact information is available at [fns.usda.gov/cnd](http://fns.usda.gov/cnd), select "Contacts".



## Appendix A

Dear Parent/Guardian:

The \_\_\_\_\_ School offers a choice of healthy meals each school day. Children may buy lunch for \_\_\_\_\_ and breakfast for \_\_\_\_\_. Children who qualify under U.S. Department of Agriculture guidelines may get meals free or at a reduced price of \_\_\_\_\_ for lunch and \_\_\_\_\_ for breakfast. All meals served must meet nutrition standards established by the U.S. Department of Agriculture. If a child has a disability, as determined by a doctor, and the disability prevents the child from eating the regular school meal, the school will make substitutions prescribed by the doctor. If a substitution is needed, there will be no extra charge for the meal. Please note, however, that the school is not required to make a substitution for a food allergy, unless it meets the definition of disability. Please call the school for further information.

Your child can get free school meals if you get food stamps, Temporary Assistance for Needy Families (TANF) or benefits from the Food Distribution Program on Indian Reservations (FDPIR). If your total household income is the same or below the amount on the Income Chart, your child can get meals either free or at a reduced price.

**How do I get free or reduced price school meals for my child?** You must complete the Meal Benefit Form and return it to the school.

- **Households getting food stamps, TANF, or benefits from FDPIR.** You only have to include your child's name and **case number**, and an adult household member must sign the form.
- **Households that do not get food stamps, TANF, or benefits from FDPIR.** If you do not have a case number, you must include the names of all household members, the amount of income each person got last month and where the income came from. An adult household member must sign the form and include his or her social security number, or indicate that he or she has none.
- **Households with a foster child.** You must include the child's name and the amount of "personal use" income the child got last month, and an adult must sign the form.

**Will the form be verified?** Your eligibility may be checked at any time during the school year. School officials may ask you to send written evidence that shows that your child should get free or reduced price school meals.

**Can I appeal the school's decision?** You can talk to school officials if you do not agree with the school's decision on your form. You also may ask for a fair hearing by calling or writing to:

Address \_\_\_\_\_ Phone: \_\_\_\_\_

**Must I report changes?** If your child gets free or reduced price meals because of your income, you must tell us if your household size decreases, or if your income increases by more than \$50 per month or \$600 per year. If your child gets free meals because your household gets food stamps, TANF or benefits from FDPIR, you must tell us when you no longer get these benefits.

**Will information on my form be kept confidential?** We will use the information on your form to decide if your child should get free or reduced price meals. We may inform officials connected with other child nutrition, health and education programs of the information on your form to determine benefits for those programs or for funding and/or evaluation purposes.

**Can I apply for free and reduced price meals later?** You may apply for free and reduced price meals at any time during the school year. If you are not eligible now but have a change, like a decrease in household income, an increase in household size, become unemployed or get food stamps, TANF or benefits from FDPIR, complete a form then.

We will let you know if you are approved or denied.

Sincerely,

Letter to Households:  
School Nutrition Programs  
Translated Version - Spring 2000  
1 of 1

## Appendix B HOW TO COMPLETE THE MEAL BENEFIT FORM

Please complete the Meal Benefit Form using the instructions below. Sign the form and return it to \_\_\_\_\_.

If you need help, call: # \_\_\_\_\_.

---

### 1 CHILD INFORMATION: Print your child's name.

- (a) If you are applying for school meals, include your child's grade and the name of the school.
- (b) If you are applying for meals for child care, include the name of the child care center or the name of the family day care home provider and the name of the sponsor, if known.
- (c) If you are applying for meals under the Summer Food Service Program (SFSP), please check the box.

---

### 2 FOSTER CHILDREN: Complete this Part and sign the form in #5.

- (a) Write the foster child's monthly "personal use" income. Write "0" if the foster child does not get "personal use" income.
- (b) A foster parent or other official representing the child must sign the form in #5. You do not have to list a social security number.
- (c) Complete a separate form for each foster child.

---

### 3 OTHER BENEFITS: Complete this Part and sign the form in #5.

- (a) If you are applying for school meals, list your current food stamp, FDPIR or TANF case number(s) for your child(ren).
- (b) If you are a family day care home provider applying for child care for tier I benefits, list your current food stamp, FDPIR or TANF case number(s) for you or your child(ren).
- (c) If your child is enrolled in a tier II family day care home, list any other eligible program and case number, if applicable. (See attached List of Other Categorically Eligible Programs.)
- (d) Sign the form in #5. An adult household member must sign. You do not have to list a social security number.

---

### 4 ALL OTHER HOUSEHOLDS: Complete this Part and sign the form in #5.

- (a) Write the names of everyone in your household even if they do not have an income. Include yourself, your spouse, the child you are applying for and all other household members.
- (b) Write the amount of income each person received last month before taxes or anything else was taken out and where it came from, such as earnings, welfare, pensions, and other income (see the examples below for types of income to report). Each income amount should be entered in the appropriate column on the form. If any amount last month was more or less than usual, write that person's usual monthly income.
- (c) If anyone is self employed, write the amount of income the person earns from self-employment; for example, income from being a family day care home provider, or operating a farm. Please call the number at the top of the form if you need help.
- (d) If you are a family day care home provider applying for tier I benefits, please provide income documentation supporting your status.
- (e) Sign the form and include your social security number in #5. *If you do not have a social security number, write "none".*

---

### 5 SIGNATURE AND SOCIAL SECURITY NUMBER:

- (a) The form must have the **signature** of an adult household member.
- (b) The adult household member who signs the statement must include his/her **social security number**. *If he/she does not have a social security number, write "none".* A social security number is not needed if you listed a food stamp, FDPIR or TANF case number or if you are applying for a foster child.
- (c) If you are applying for tier I benefits as a family day care home provider, please indicate that in this section.

---

### 6 RACIAL/ETHNIC IDENTITY: You are **not required** to answer this question to get meal benefits, but completion of this information will help ensure that everyone is treated fairly.

---

#### INCOME TO REPORT

##### Earnings from Work

Wages/salaries/tips  
Strike benefits  
Unemployment compensation  
Worker's compensation  
Net income from self-owned  
business, day care business or farm

##### Pensions/Retirement/Social Security

Pensions  
Supplemental Security Income  
Retirement income  
Veteran's payments  
Social security

##### Other Monthly Income/Self-employment

Disability benefits  
Cash withdrawn from savings  
Interest/dividends  
Income from estates/trusts/  
investments  
Regular contributions from  
persons not living in the  
household  
Net royalties/annuities/net rental income  
Military allowance for off-base housing  
Any other income

##### Welfare/Child Support/Alimony

Public assistance payments  
Welfare payments  
Alimony/child support payments

## Appendix C

### MEAL BENEFIT FORM FOR SCHOOL YEAR \_\_\_\_\_

Complete, sign and return the form to \_\_\_\_\_. Please read the instructions. If you need help completing this form, call: \_\_\_\_\_.

#### 1 CHILD'S NAME:

Last

First

M.I.

FOR MEAL BENEFITS IN SCHOOL,  
FILL OUT THIS INFORMATION:

Child's Grade: \_\_\_\_\_

FOR MEAL BENEFITS IN CHILD CARE,  
FILL OUT THIS INFORMATION:

Name of Child Care Center: \_\_\_\_\_

OR

Name of School: \_\_\_\_\_

Name of Family Day Care Home Provider: \_\_\_\_\_

Name of Sponsor (if known): \_\_\_\_\_

FOR MEAL BENEFITS IN THE SUMMER FOOD SERVICE  
PROGRAM (SFSP), CHECK THIS BOX [ ]

2 Is this a FOSTER CHILD? (See the instructions) If this is a foster child, check here [ ] and write the child's monthly personal use income here: \$ \_\_\_\_\_. Go to section #5.

3 Are you getting FOOD STAMPS, TANF or FDPIR benefits for your child or, for Tier II day care homes, are you enrolled in any other eligible subsidized benefit program? List the CASE NUMBER. DO NOT complete section #4. Go to section #5.

Food stamp case number: \_\_\_\_\_

FDPIR case number: \_\_\_\_\_

TANF case number: \_\_\_\_\_

(For Parents of children in Tier II day care homes only) Other eligible program and case number: \_\_\_\_\_

4 ALL OTHER HOUSEHOLDS: (Complete this part only if you did not complete sections #2 or #3) List all household members, including the child listed above. List all income. Go to section #5.

Names Names of Household Members (include the child listed above)	Current Monthly Income			
	Monthly Earnings from Work (Before Deductions) Job 1	Monthly Welfare, Child Support, Alimony	Monthly Payments from Pensions, Retirement, Social Security	Monthly Earnings from Job 2 or Any Other Monthly Income
1.	\$	\$	\$	\$
2.	\$	\$	\$	\$
3.	\$	\$	\$	\$
4.	\$	\$	\$	\$
5.	\$	\$	\$	\$
6.	\$	\$	\$	\$
7.	\$	\$	\$	\$
8.	\$	\$	\$	\$
9.	\$	\$	\$	\$
10.	\$	\$	\$	\$
11.	\$	\$	\$	\$
12.	\$	\$	\$	\$

## 5 SIGNATURE AND SOCIAL SECURITY NUMBER:

**PENALTIES FOR MISREPRESENTATION:** *I certify that all of the above information is true and correct and that the food stamp, FDPIR, TANF or other eligible program case number is current, correct or that all income is reported. I understand that this information is being given for the receipt of Federal funds; that institution officials may verify the information on the Meal Benefit Form and that the deliberate misrepresentation of the information may subject me to prosecution under applicable State and Federal laws.*

Signature of Adult: \_\_\_\_\_ Social Security Number: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Are you a family day care home provider applying for Tier I benefits? Y ☐ N ☐

Printed Name: \_\_\_\_\_ Home Phone: \_\_\_\_\_ Work Phone: \_\_\_\_\_

Home Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ Date: \_\_\_\_\_

**Privacy Act Statement:** Unless you list the child's food stamp, FDPIR, or TANF case number or are applying for a foster child, Section 9 of the National School Lunch Act requires that you include the social security number of the household member signing the form or indicate that the household member signing the form does not have a social security number. You do not have to list a social security number, but if a social security number is not listed or an indication is not made that the adult household member signing the form does not have a social security number, we cannot approve the form. The social security number may be used to identify the household member in verifying the correctness of the information stated on the form. This may include program reviews, audits, and investigations and may include contacting employers to determine income, contacting a food stamp, FDPIR, or TANF office to determine current certification for food stamps, FDPIR, or TANF benefits, contacting the State employment security office to determine the amount of benefits received and checking the documentation produced by the household member to prove the amount of income received. These efforts may result in a loss or reduction of benefits, administrative claims, or legal actions if incorrect information is reported. The social security number may also be disclosed to programs as authorized under the National School Lunch Act and the Child Nutrition Act, the Comptroller General of the United States, and law enforcement officials for the purpose of investigating violations of certain Federal, State and local education, health and nutrition programs.

## 6 RACIAL/ETHNIC IDENTITY: You are not required to answer these questions. If you choose to do so:

**Please mark one or more of the following racial identities:**

☐ American Indian or Alaska Native ☐ Asian ☐ Black or African American ☐ Native Hawaiian or Other Pacific Islander ☐ White

**Please mark one of the following ethnic identities:**

☐ Hispanic or Latino ☐ Not Hispanic or Latino

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, age, or disability. Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14<sup>th</sup> and Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.

### For Official Use Only:

Food Stamp/FDPIR/TANF or other eligible benefit program (tier II day care homes only) household categorically eligible free:

☐ Yes ☐ No

MONTHLY INCOME CONVERSION: WEEKLY X 4.33, EVERY 2 WEEKS X 2.15, TWICE A MONTH X 2

Total monthly income: \_\_\_\_\_ Household size: \_\_\_\_\_ Eligible: \_\_\_\_\_ NOT Eligible: \_\_\_\_\_

Eligibility Classification: Free \_\_\_\_\_ Reduced Price \_\_\_\_\_ Paid \_\_\_\_\_ Temporary: Free \_\_\_\_\_ Reduced Price \_\_\_\_\_  
Tier I \_\_\_\_\_ Tier II \_\_\_\_\_ Time Period: \_\_\_\_\_

Determining official: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## Appendix D      Prototype Parent/Guardian Notification for Medicaid/SCHIP

Dear Parent/Guardian

Children with health insurance are more likely to get preventive health care and care when they are sick. This results in fewer absences from school because of illness and children coming to school ready to learn. If your children do not have health insurance, you will be interested to know that many families getting free and reduced price school meals can also get free or low-cost health insurance for their children. However, many families do not know about the health insurance programs available to them.

The law now allows us to share your free and reduced price meal eligibility information with Medicaid and the State children's health insurance program. Medicaid and the State children's health insurance program can only use the information to identify children who may be eligible for free or low-cost health insurance and to enroll them in either Medicaid or the State children's health insurance program. They are not allowed to use the information from your free and reduced price school meal application for any other purpose. Medicaid officials or officials with the State children's health insurance program may contact you to get more information.

You are not required to allow us to share information from your children's free and reduced price meal application with Medicaid or the State children's health insurance program. It will not affect your children's eligibility for free and reduced price meals. If you do **not** want your information shared with Medicaid or the State children's health insurance program, you must let us know. You may complete the form below and send it back to your children's school by (insert date) \_\_\_\_\_ if you do not want your children's free and reduced price meal eligibility information shared with Medicaid or the State children's health insurance program. If you want further information, you may call (name of a school contact person) \_\_\_\_\_ at (phone) \_\_\_\_\_.

[   ] I **do not** want school officials to share information from my free and reduced price school meal application with Medicaid or the State children's health insurance program.

Child's Name _____	School _____
Child's Name _____	School _____
Child's Name _____	School _____

Signature of  
Parent/Guardian \_\_\_\_\_ Date \_\_\_\_\_

Printed name \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## Appendix E

### PROTOTYPE DISCLOSURE OF FREE AND REDUCED PRICE INFORMATION AGREEMENT

#### I. PURPOSE AND SCOPE

(Insert name of determining agency) and (insert name of receiving agency) acknowledge and agree that children's free and reduced price meal and free milk eligibility information obtained under provisions of the National School Lunch Act (42 USC 1751 et. seq.) or Child Nutrition Act of 1966 (42 USC 1771 et. seq.) and the regulations implementing those Acts is confidential information. This Agreement is intended to ensure that any information disclosed by the (insert name of determining agency) to the (insert name of receiving agency) about children eligible for free and reduced price meals or free milk will be used only for purposes specified in this Agreement and that the (insert name of determining agency) and (insert name of receiving agency) recognize that there are penalties for unauthorized disclosures of this eligibility information.

#### II. AUTHORITY

Section 9(b)(2)(C)(iii) of the National School Lunch Act (42 USC 1758(b)(2)(C)(iii)) authorizes the limited disclosure of children's free and reduced price meal or free milk eligibility information to specific programs or individuals, without prior parent/guardian consent. Except that, the parent/guardian must be provided the opportunity to decline to share eligibility information prior to the disclosure for identifying children eligible for benefits under or enrolling children in the State Medicaid Program and the State children's health insurance program. Additionally, the statute specifies that for any disclosures not authorized by the statute, the consent of children's parents/guardians must be obtained prior to the disclosure.

The *requesting* agency certifies that it is currently authorized to administer the following program(s) and that information requested will only be used by the program(s) indicated:

Check all  
that apply

Program

Information authorized

	<i>Medicaid or the State children's health insurance program (SCHIP)</i> , administered by a State or local agency authorized under titles XIX or XXI of the Social Security Act. Specify Program:	All eligibility information, unless parents elect not to have information disclosed.
	<i>State health program</i> other than Medicaid/SCHIP, administered by a State agency or local education agency. Specify Program:	Eligibility <b>status</b> only; consent not required.
	<i>Federal health program</i> other than Medicaid/SCHIP Specify Program:	NO eligibility information, unless parental consent is obtained.
	<i>Local health program</i> Specify Program:	NO eligibility information, unless parental consent is obtained.
	<i>Child Nutrition Program</i> under the National School Lunch Act or Child Nutrition Act Specify Program:	All eligibility information; consent not required.
	<i>Federal/State or local means tested nutrition program</i> with eligibility standards comparable to the National School Lunch Program Specify Program:	Eligibility <b>status</b> only; consent not required.
	<i>Federal education program</i> Specify Program:	Eligibility <b>status</b> only; consent not required.
	<i>State education program</i> administered by a State agency or local education agency Specify Program:	Eligibility <b>status</b> only; consent not required.
	<i>Local education program</i> Specify Program:	NO eligibility information, unless parental consent is obtained.

**Note:** Section 9(b)(2)(C)(iv) specifies that certain programs may receive children's eligibility status **only**, without parental consent. Parental consent must be obtained to disclose any additional eligibility information. Section 9(b)(2)(C)(iv) specifies that for State Medicaid or SCHIP, parents must be notified and given opportunity to elect not to have information disclosed. Social security numbers may only be disclosed if households are given notice of the disclosure and the uses to be made of their social security numbers as required by Sec. 7 of the Privacy Act.

### III. RESPONSIBILITIES

(Insert Name of Determining Agency) will:

When required, secure parents/guardians consent prior to any disclosure not authorized by the National School Lunch Act or any regulations under that Act, unless prior consent is secured by the receiving agency and made available to the determining agency;

For State Medicaid and SCHIP notify parents/guardians of potential disclosures and provide opportunity for parents/guardians to elect not to have information disclosed;

Disclose eligibility information only to persons directly connected to the administration or enforcement of programs authorized access under the National School Lunch Act or regulations under the Act or to programs or services for which parents/guardians gave consent.

(Insert Name of Receiving Agency) will:

Ensure that only persons who are directly connected with the administration or enforcement of the *(insert name of the Program)* and whose job responsibilities require use of the eligibility information will have access to children's eligibility information:

(Specify by name(s) or title(s)) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Use children's free and reduced price eligibility information for the following specific purpose(s):

(Describe) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Inform all persons that have access to children's free and reduced price meal eligibility information that the information is confidential, that children's eligibility information must only be used for purposes specified above, and the penalties for unauthorized disclosures.

Protect the confidentiality of children's free and reduced price meal or free milk eligibility information as follows:



(Specifically describe how the information will be protected from unauthorized uses and further disclosures.) \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Description of Procedures to Transfer Meal Eligibility Information** (May be completed by either the determining agency or receiving agency)

Describe the procedures for transferring students' meal eligibility information from the determining agency to the requesting agency/program so as to limit the number of individuals who have access to the information.

(Describe) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**IV. EFFECTIVE DATES**

This agreement shall be effective from \_\_\_\_\_ to \_\_\_\_\_

**V. PENALTIES**

Any person who publishes, divulges, discloses, or makes known in any manner, or to any extent not authorized by Federal law (Section 9(b)(2)(C) of the National School Lunch Act; 42 USC 1758(b)(2)(C)) or a regulation, any information about a child's eligibility for free and reduced price meals or free milk shall be fined not more than a \$1,000 or imprisonment of not more than 1 year or both.

**VI. SIGNATURES**

The parties acknowledge that children's free and reduced price meal and free milk eligibility information may be used only for the specific purposes stated above; that unauthorized use of free and reduced price meal and free milk information or further disclosure to other persons or programs is prohibited and a violation of Federal law which may result in civil and criminal penalties.

**Requesting Agency/Program Administrator**

Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Date: \_\_\_\_\_

**Determining Agency Administrator**

Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Date: \_\_\_\_\_

\*Any attachments will become part of this agreement.

## Appendix F                      LETTER TO HOUSEHOLDS: NOTIFICATION OF SELECTION FOR VERIFICATION OF ELIGIBILITY

Student's Name: \_\_\_\_\_ School: \_\_\_\_\_ Date: \_\_\_\_\_

### IMPORTANT: YOU MUST ANSWER THIS LETTER

Dear \_\_\_\_\_:

If you do not reply to this letter, your child will not continue to receive free or reduced price meals. This letter requires that you send information or contact \_\_\_\_\_ (official's name) by \_\_\_\_\_ (date).

Your child's Meal Benefit Form requesting free or reduced price meals has been selected as part of a review to make sure only eligible students receive free or reduced price meal benefits.

You must send **either** (1) papers that show that you get food stamps or TANF for your child **or** (2) the name and social security number of each adult household member on the enclosed sheet **and** papers that show your household's current income.

We have enclosed information that shows the kinds of papers that you may use to prove that you now get food stamps or TANF for your child or to show your household's income. If possible, do not send original papers. If you do send original papers, they will be sent back to you only if you ask.

If you do not send information that proves your child is eligible to receive free or reduced price meal benefits by (the date above), these meal benefits will be stopped.

If you have any questions or if you need any help, please call \_\_\_\_\_ (name) at \_\_\_\_\_ (phone number). If you do not hear from us by \_\_\_\_\_ (date), free or reduced price meals will continue without change.

Thank you for cooperating in this matter.

Sincerely,

---

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, age, or disability. Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.

## **VERIFICATION INFORMATION FOR FREE AND REDUCED PRICE MEALS**

**FOOD STAMP/TANF HOUSEHOLDS:** If you get food stamps or TANF for your child, you **only** have to send something that shows your household is now getting them. No other information is required. This is:

- **Food stamp or TANF certification notice** showing the dates of the certification period.
- **Letter from the food stamp or welfare office** stating that you now get food stamps or TANF.
- **ATP Card** (Authorization to participate)

If your child was approved for free meals because you put a food stamp or TANF case number on your child's form but you no longer get food stamps or TANF for your child and want to continue benefits: (1) complete another meal benefit form with income information for everyone in your household, (2) write the name and the social security number of each adult household member on the form or on another piece of paper, and (3) send pay stubs or other papers that show your **current** income.

**HOUSEHOLDS THAT DO NOT GET FOOD STAMPS OR TANF:** If you do not get food stamps or TANF for your child, (1) write the name and social security number for each adult household member in the spaces below and (2) send copies of information or papers that show your household's **current** income. Current income is the amount of money your household received last month.

### **Names of Adult Household Members**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

### Social Security Numbers

$\frac{1}{2}$   $\frac{1}{3}$   $\frac{1}{4}$   $\frac{1}{5}$   $\frac{1}{6}$   $\frac{1}{7}$   $\frac{1}{8}$   $\frac{1}{9}$   $\frac{1}{10}$   $\frac{1}{11}$   $\frac{1}{12}$   $\frac{1}{13}$   $\frac{1}{14}$   $\frac{1}{15}$   $\frac{1}{16}$   $\frac{1}{17}$   $\frac{1}{18}$   $\frac{1}{19}$   $\frac{1}{20}$   $\frac{1}{21}$   $\frac{1}{22}$   $\frac{1}{23}$   $\frac{1}{24}$   $\frac{1}{25}$   $\frac{1}{26}$   $\frac{1}{27}$   $\frac{1}{28}$   $\frac{1}{29}$   $\frac{1}{30}$   $\frac{1}{31}$   $\frac{1}{32}$   $\frac{1}{33}$   $\frac{1}{34}$   $\frac{1}{35}$   $\frac{1}{36}$   $\frac{1}{37}$   $\frac{1}{38}$   $\frac{1}{39}$   $\frac{1}{40}$   $\frac{1}{41}$   $\frac{1}{42}$   $\frac{1}{43}$   $\frac{1}{44}$   $\frac{1}{45}$   $\frac{1}{46}$   $\frac{1}{47}$   $\frac{1}{48}$   $\frac{1}{49}$   $\frac{1}{50}$   $\frac{1}{51}$   $\frac{1}{52}$   $\frac{1}{53}$   $\frac{1}{54}$   $\frac{1}{55}$   $\frac{1}{56}$   $\frac{1}{57}$   $\frac{1}{58}$   $\frac{1}{59}$   $\frac{1}{60}$   $\frac{1}{61}$   $\frac{1}{62}$   $\frac{1}{63}$   $\frac{1}{64}$   $\frac{1}{65}$   $\frac{1}{66}$   $\frac{1}{67}$   $\frac{1}{68}$   $\frac{1}{69}$   $\frac{1}{70}$   $\frac{1}{71}$   $\frac{1}{72}$   $\frac{1}{73}$   $\frac{1}{74}$   $\frac{1}{75}$   $\frac{1}{76}$   $\frac{1}{77}$   $\frac{1}{78}$   $\frac{1}{79}$   $\frac{1}{80}$   $\frac{1}{81}$   $\frac{1}{82}$   $\frac{1}{83}$   $\frac{1}{84}$   $\frac{1}{85}$   $\frac{1}{86}$   $\frac{1}{87}$   $\frac{1}{88}$   $\frac{1}{89}$   $\frac{1}{90}$   $\frac{1}{91}$   $\frac{1}{92}$   $\frac{1}{93}$   $\frac{1}{94}$   $\frac{1}{95}$   $\frac{1}{96}$   $\frac{1}{97}$   $\frac{1}{98}$   $\frac{1}{99}$   $\frac{1}{100}$

**The papers you send in must show: (1) the amount of the income received, (2) the name of the person who received it, (3) the date the income was received, and (4) how often the income is received.**

To show the amount of money your household received last month, send copies of the following:

- **Earnings / wages / salary for each job:** Current paycheck stub that shows how often it is received; Current pay envelope that shows how often it is received; Letter from employer stating gross wages and how often they are paid; Business or farming papers, such as ledger or tax books
- **Social security / pensions / retirement:** Social security retirement benefit letter; Statement of benefits received; Pension award notice
- **Unemployment compensation / disability or worker's compensation:** Notice of eligibility from State employment security office; Check stub; Letter from worker's compensation
- **Welfare payments (General Assistance):** Benefit letter from welfare agency
- **Child support / alimony:** Court decree; Agreement; Copies of checks received
- **All other income:** If you have other forms of income (such as rental income) send information or papers that show the amount of income received, how often it is received, and the date received
- **No income:** If you have no income, send a brief note explaining how you provide food, clothing and housing for your household, and when you expect an income

**Privacy Act Statement.** Unless you list the child's food stamp, FDPIR, or TANF case number, Section 9 of the National School Lunch Act requires that you include the social security number of the household member signing the form or indicate that the household member signing the form does not have a social security number. You do not have to list a social security number, but if a social security number is not listed or an indication is not made that the adult household member signing the form does not have a social security number, we cannot approve the form. The social security number may be used to identify the household member in verifying the correctness of information stated on the form. This may include program reviews, audits, and investigations and may include contacting employers to determine income, contacting a food stamp, FDPIR, or TANF office to determine current certification for food stamps, FDPIR, or TANF benefits, contacting the State employment security office to determine the amount of benefits received and checking the documentation produced by the household member to prove the amount of income received. These efforts may result in a loss or reduction of benefits, administrative claims, or legal actions if incorrect information is reported. The social security number may also be disclosed to programs as authorized under the National School Lunch Act and the Child Nutrition Act, the Comptroller General of the United States, and law enforcement officials for the purpose of investigating violations of certain Federal, State and local education, health and nutrition programs.

## Appendix G LETTER OF VERIFICATION RESULTS AND ADVERSE ACTION

Child(ren)'s Name(s): \_\_\_\_\_

School: \_\_\_\_\_

Date: \_\_\_\_\_

Dear \_\_\_\_\_:

We have completed verification of your child(ren)'s eligibility. Starting (10 calendar days from the date sent) your child(ren)'s eligibility for meal benefits will be:

\_\_\_\_\_ Changed from free to reduced price because your income is over the allowable amount. The reduced price charge is \_\_\_\_\_ cents for lunch and \_\_\_\_\_ cents for breakfast. You must tell the school when your household income increases by more than \$50 per month (\$600 per year) or when your household size decreases.

\_\_\_\_\_ Stopped for the following reason(s):

\_\_\_\_\_ your income is over the allowable amount for free and reduced price meals;

\_\_\_\_\_ you did not provide proof of current eligibility. The following information is missing:

\_\_\_\_\_ records show that you are not receiving food stamps / TANF at this time.

Starting immediately your child(ren)'s eligibility for meal benefits will be:

\_\_\_\_\_ Changed from reduced price to free because your income is within the free meal eligibility limits. Your child(ren) will receive meals at no cost. You must tell the school when your household income decreases by more than \$50 per month (\$600 per year) or when your household size decreases.

If you are not eligible for benefits now but have a decrease in household income, become unemployed or have an increase in the size of your household, you may fill out a form at that time to reapply for benefits.

If you do not agree with the decision, you may discuss it with: \_\_\_\_\_ (verifying official). You also have the right to a fair hearing. If you request a hearing by \_\_\_\_\_ (date), your child(ren) will continue to receive (free or reduced price meals) until the decision of the hearing official is made. You may request a fair hearing by calling or writing the following official:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone number: \_\_\_\_\_

Sincerely,

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To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.